



PRIME MINISTER

STATEMENT BY THE PRIME MINISTER, THE HON P.J. KEATING MP OPPOSITION INDUSTRIAL RELATIONS POLICY

The Opposition's Industrial Relations policy is one week old today, and already it is riddled with contradiction.

Dr Hewson told us that this policy would put the Industrial Relations Commission in the "dustbin of history".

But now in a bizarre attempt to cover his leader's mistakes on the Sunday program, the Opposition spokesman tells us he will open the bin and drag the Commission back out again.

The resulting contradictions in Opposition policy show that it would be in practice unworkable.

Mr Howard put out a press release yesterday in which he said that pay levels in contracts will have to be increased whenever the Commission increases the rate in the award which formerly covered the employees.

In other words, whenever an employment contract is renewed it must pick up whatever increase the Commission has decided for the award.

Mr Howard says a union can apply for such an increase at any time.

The Commission would be able to determine the frequency and size of changes in the base rates. It regains its old role as the national arbitrator of wages, with award increases automatically flowing into individual contracts as they expire and on renewal.

But the basis upon which the Commission would change a base award rate is not specified by the Coalition. It may be changed work value for that classification, for example, or changed relativity, or local circumstances - factors that need not be connected to the employment contract which the decision nonetheless alters.

So in the attempt to find a plausible way out of the policy's failure to specify a way of updating minimums, Mr Howard has driven a semi trailer through the policy.

Clearly, the Opposition has given no thought to the implications of Mr Howard's announcement yesterday.

First it was individual contracts, a disappearing Commission, disappearing unions.

Now the Opposition is saying the contracts will just reflect arbitrated changes in the award minimum.

Mr Howard is making policy on the run, trying to cover his leader's mistakes.

But in trying to repair the policy Mr Howard has raised more questions than he answers.

The policy released last week says explicitly that all awards will automatically terminate except where both employees and employers indicate the award should continue.

This raises the possibility that in many areas there will cease to be an award at all. Mr Howard's policy offers no way of updating the minimums in contracts involving people formerly covered by these awards.

Even where an award remains, it will be on a shrinking base of employees and employers, raising the risk that changes in the award minimum will reflect consent arrangements which may be inappropriate for enterprises not under the award.

However, under the Opposition's re-announced policy these increases would flow into individual contracts.

The contradiction over the role of the Commission is just one of the problems revealed as the policy is subjected to scrutiny.

The Opposition has still not explained how the \$3.50 hour youth minimum will be updated.

Will the Commission do that too?

What is he telling small business, which is discovering that his policy would apply only to incorporated enterprises?

And what is Mr Howard telling the business leaders who are telling him that the Opposition policy provides no mechanism for recognising either one or many bargaining agents in an enterprise, and provides no mechanism upon which an enterprise bargain may be negotiated?

In fact, it rejects a collective bargaining system under which a single agreement could cover a single enterprise.

The truth is that the Opposition is not proposing a system of enterprise bargaining, in which agreements are made to enhance productivity in return for greater rewards from work.

It is proposing a system of individual contracts between the employer and each employee.

And we now learn that these individual contracts will be supposed to reflect changes in awards - changes which, as time goes on, would be made for reasons more and more closely connected with the residual coverage of the award, and less and less for reasons connected with the circumstances of the employees under individual contracts who will nonetheless be affected.

Isn't it time Dr Hewson held a press conference with the Canberra gallery to explain his policies?

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