

DISCUSSION ON THE DRAFT LEGISLATION ON WORKCHOICES REFORM

INTERVIEWEES:

HEATHER RIDOUT, CEO, AUSTRALIAN INDUSTRY

TIM COX: Kevin Rudd announced yesterday, along with Julia Gillard and Wayne Swan, that they were drafting legislation for scrapping, winding back, whatever you want to call it, the erstwhile government's industrial relations law, WorkChoices, of course. But in a deviation from what had been on record before, Mr Rudd said that 10 national employment standards forming the basis of the new safety net for employees would be open to public consultation.

And I imagine one of the groups they'll be talking to is the Australian Industry Goup, of which Heather Ridout is CEO.

Good morning to you, Heather.

HEATHER RIDOUT: Good morning, Tim.

TIM COX: Were you surprised at how quickly Kevin Rudd made the announcement yesterday?

HEATHER RIDOUT: Oh look, I'm not because I think he was pretty cognisant of the problems employers had last time with the minimum standards and the fact that there was, you know, really major complexity. We had to give quite detailed and tricky advice to companies. We made endless submissions to the Government about clarifying a whole lot of issues around payment and accrual rules about leave. You know, it was really very complex. So I think it is a very sensible approach.

But clearly we're going to have a three-stage process now. We'll have this early transition bill dealing with the rules governing the new AWAs (Individual Transitional Employment Agreements ITEAs) and the phasing out of the existing ones, and then we're going to have the draft legislation on the 10 minimum standards, and then we're going to have the next big piece of legislation, which will go to the rest of the ALP's agenda, which is, you know, a very big, very big agenda indeed.

So it's going to be a pretty busy couple of years, Tim.

TIM COX: Right. Is it too early to do a post mortem on WorkChoices and where it didn't work and why it didn't work?

HEATHER RIDOUT: Look, I think even the Labor Party are actually going to retain a lot of the key pieces of the structure and architecture of WorkChoices. You know, the centre of WorkChoices was the formation of a national system of industrial relations using the head of power, the corporations' power, which of course we had the big High Court decision about. So that's going to stay and the Labor Party is committed to that.

They're also committed to modernising and rationalising the over 4000 awards that really set out employment conditions in Australia. So that process is going to take place over the next two years. The last government didn't succeed in that. But that was all central to WorkChoices.

They're also going to have this set of minimum standards, which are going to cover all workers, even you and me, in the workplace. And they're going to have 10, more than the last government had, and include things like redundancy and long service leave in it.

So those three big features remain, which are central to the architecture of WorkChoices.

Then there are areas like the right of entry of unions in workplaces. They're going to be retained. All the secret ballot provisions are going to be retained.

So when you think of it, apart from penalty rates and a whole lot of issues around the no-disadvantage test, there's going to be a lot of WorkChoices, slightly modified, but certainly a lot of the features of WorkChoices are going to be there.

TIM COX: The employer groups of course campaigned very strongly and very prominently during the campaign in favour of the Coalition, in favour of the retention of WorkChoices. I gather from what you're saying that the sky isn't going to fall in.

HEATHER RIDOUT: Well, we weren't part of that campaign, the Australian Industry Group. We felt that, really, it was a very - it was too close to the campaign to engage in it. But we worked quite hard with the Opposition in the lead-up to the election and we were quite pleased that they actually did retain a number of very important issues such as the right of entry arrangements, which give a lot of protection to employers, the pattern bargaining rules that you can't take industrial action if a union's bargaining claims are all the same for 1500 companies for example. You can't trade out of AWAs during their term. Secondary boycotts will be prohibited still.

The retention of the Australian Building and Construction Commission, which was incredibly important for the construction industry.

So the Labor Party did actually make a lot of changes. But you have to recognise though that what they're proposing, there's some very big changes also embodied in that and it's going to be a very, a major restructure of industrial relations.

TIM COX: All right. A question from a listener. Is Heather trying to convince us she tried to have Howard change WorkChoices?

HEATHER RIDOUT: Well, I think - look, history is history, and I don't think you can really engage in that sort of revisionism. But I mean, when the Government did reintroduce the fairness test - because you had the old no-disadvantage tests that governed AWAs.

The AWA issue, Tim, was really a part of the fairness issue in WorkChoices, and when they were first introduced, they had a no-disadvantage test. That was removed and that's where a lot of the problems arose. The Government subsequently reintroduced the fairness test with support from organisations such as ours, and I guess we can claim that at least we did that.

The other area that caused a lot of tension was around unfair termination rules, and of course, that really wasn't part of WorkChoices, it was sitting there as a bill that had been to Parliament 41 times. So there were those issues and they've been the major flashpoints, lightning rods I suppose, for union discontent, and they were the ones I think the Australian public actually voted on in the last election.

TIM COX: All right, Heather Ridout, thanks for your time this morning.

HEATHER RIDOUT: My pleasure, Tim.

TIM COX: Heather Ridout from the Australian Industry Group there.