

Transcript

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 Compere: **ROSS GREENWOOD** Summary ID: **S00037689782**

Item: **DISCUSSION ABOUT VARIOUS INDUSTRIAL ACTIONS CURRENTLY UNDERWAY IN AUSTRALIA AND THE RAMIFICATIONS OF THE NEW FAIR WORK AUSTRALIA SYSTEM.**

INTERVIEWEE: HEATHER RIDOUT, AUSTRALIAN INDUSTRY GROUP.

Demographics:	Male 16+ 16000	Female 16+ 28000	All people 44000	ABs 15000	GBs 31000
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ROSS GREENWOOD: One of the strange things is, of course, the last election was fought on the grounds of industrial relations. You might remember of course, that the Government was hell-bent on changing the industrial relations landscape here in Australia, but the question is, of course, that - what do we now find ourselves seeing but an increase, apparently, in industrial disputes.

The old days, shall I say, didn't really, if you like, once negotiations have been done emanate in terribly many strikes or whatever it might be that the unions wanted to go with. But today, it seems as though they're testing the Government's new fair pay arrangements, and are trying to work out where the goal posts really sit.

Well, one person who came and actually, I guess, backed the Government in trying to put in some fairness tests in the industrial relations landscape is

Heather Ridout, the executive director of the Australian Industry Group, that represents many of the businesses in this country.

Welcome to *Sunday Business*, Heather.

HEATHER RIDOUT: Good to be with you, Ross.

ROSS GREENWOOD: Tell me, are you worried about the industrial relations landscape and just what it seems to me, to be a testing of this Government's rules?

HEATHER RIDOUT: Look, I think the unions are certainly trying to test it and we're seeing a number of disputes, the ones you've alluded to.

That one in Western Australia where we've got unprotected industrial action; wildcat strike action, which is illegal. We've got the MUE dispute, also in Western Australia, under an egregiously greedy claim on employers. We've got the construction union still fighting against the construction reforms, and now we have a really left-field decision out of the commission in relation to arbitration, which of course, is, you know, really back to the old days.

So, there's a number of - and we've had a later decision, actually, on pattern bargaining, which really is creating some concerns. So, there's a number of places where this legislation is being tested and alarm bells are starting to ring.



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ROSS GREENWOOD: Okay. Let's go to a couple of these individually.

One of them, obviously, you will - you pointed out, is the gas workers in Western Australia. Now, quite clearly it's a highly lucrative industry and they, you know, for better or worse, are trying to work out how they can get their share of the revenues.

But as you say, it's now worked out that there are wildcat strikes and it is some of the more serious industrial action that we've seen in Australia for perhaps a decade or so.

HEATHER RIDOUT: Well, I think it's close to anarchic, sort of, behaviour what they're doing. Just to walk off the job in pursuit a supposed grievances[sic]. It is really so against the spirit of the law. It's against the law, and they should feel the full force of the law, and there are very substantial penalties which should be levied on those workers if the facts are as they seem.

So, that is a really, you know, reckless kind of industrial behaviour...

ROSS GREENWOOD: Well, this is 3000 construction workers. It's Woodside's \$12 billion Pluto Project. Remember, you know, something that is of national interest.

Julia Gillard, of course, has told them to get back to work. It is an illegal strike, and yet still, up until, you know, sort of, certainly late this week, it seems

as though they were very much not going back to work.

HEATHER RIDOUT: Well, it's like - it's their choice. But they will face, individually, fines of upwards of \$22,000 each, and they should. If they will not abide by the law, they are breaking the law, and they should be treated like anyone else who breaks the law. And the law - they should feel the full force of the law, because we do not want the law tested and then not to be enforced.

As employers we need to make sure the commission and the authorities stand up to this sort of behaviour, and you know, prevent it happening in the future. Because if you break once, you know, the flood gates can open.

ROSS GREENWOOD: Curiously here, the unions that were involved, that's the CFMU, CEPU and AMWU, the manufacturers workers union, have sort of gone to the workers, well we don't really want to know you terribly much; which is an unusual thing for the unions to do.

HEATHER RIDOUT: Well, I think the unions understand that there - the financial penalties of this kind of behaviour are extensive and, you know, they don't really want to face those.

As well, I mean, the unions, like us, have had to negotiate hard around this new industrial relations framework, and you sign up and it's a matter of



integrity, and you abide by the law. You are a citizen of the system, and this sort of behaviour just can't be tolerated.

I call on the ACTU to come out and say it can't be tolerated. I think Julia Gillard is making absolutely the right noises, and you know, all right-minded and fair-minded players in the system should not support this kind of action.

ROSS GREENWOOD: All right. There's one more I want you to explain to me.

Explain to me the Woolworths' case and exactly what's taking place there. Because it seems as though, you know, matters were taken into everybody's hands. Nobody could really negotiate what was taking place in that situation.

HEATHER RIDOUT: Well, the - in the Woolworths' case, an agreement was reached between the employers and the employees for - to cover their workplace. They put that agreement to Fair Work Australia. It had in it a dispute resolution clause, which all agreements have to have in it, which provided for conciliation between the parties if a dispute occurred, but did not provide - but stopped short of compulsory arbitration in the event that conciliation didn't reach an outcome.

Now, that is quite consistent with the law as we understand it, but clearly the commission has seen -



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interpreted that law differently and said that in the event that conciliation doesn't work, they should have the power to arbitrate a dispute, and that clause - that should be - that is implied in the law, and should be in all agreements.

Now, that decision has not only meant that the Woolworths' agreement has been sent back, which has been properly agreed between employers and employees; but it's really put in a level of uncertainty around all the other agreements that are on foot in Australia at the present time that do not contain a clause like that. And it's also meant that unions, who love compulsory arbitration, can actually push this as a compulsory clause in their re-agreement going forward.

ROSS GREENWOOD: Can I say, that in that case, if we go back to arbitration then we are very much back to the old days of the old industrial relations commissions, and that does not seem to be in anybody's interests, because ultimately it was the agreements between the workers and the employers on the site that actually led, if you like, to the liberation, to a certain extent, of Australia's workforce.

HEATHER RIDOUT: Absolutely.

I mean, the end of compulsory arbitration, centralised wage-fixing and the pushing down to individual enterprises, where people could sort some of their own concerns out in a productive



way, has meant higher wages, more secure jobs, a growing economy, higher productivity, you name it. All - so many good things have arisen from it.

And what happens in these situations is that unions will say well we want a certain [indistinct] and they will go to a big employer like Woolworths, and Woolworths will stand up to it for a while and then they'll be forced into compulsory arbitration and then that right might be introduced in part as an industrial compromise through arbitration.

Then that will flow onto all other employers. And that is a disaster and it will lift labour costs across the board, and that's why AI Group has it as one of the absolute tenants of their - of our view about industrial relations. We do not want to return to compulsory arbitration.

ROSS GREENWOOD: There you go. Because it ultimately leads to a re-regulation, not a deregulation, of our workforce, and it's one of the things that many external observers of Australia plead, and say it needs to keep on going forward.

Can I say, Heather Ridout, the executive director of the Australian Industry Group, many thanks for joining us on Sunday Business.

HEATHER RIDOUT: My pleasure.



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