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In the Newsletter of 14 August I indicated that any additional newsletters would depend upon the detail of the proposed changes to industrial relations legislation as and when they were made known to the community.

The government has now set out the basics of the proposed changes, and has started the hard sell with the first stage of a multi million dollar advertising campaign prior to the legislation being introduced into Parliament at the end of the month. There is no doubt that some response is certainly called for. This is the first in a short series of newsletters dealing with particular aspects of the proposed changes.

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Public comment to date illustrates just how divisive the proposed changes will be, and the extent to which they will divide the community if they become law. Comments range from consideration of how they will impact upon the labour market and individual workers to consideration of the basic principles upon which the changes are based. How many jobs will be created - what productivity gains will be achieved - what impact will the changes have on individuals and families? What will the impact be on Australian society as a whole?

Carla Lipsig-Mumme, Research Professor of Political and Social Inquiry and Director of WAGE, Monash University Centre on Work and Society, claims that "the vision for Australian industrial relations after 2006 resembles the US in the 1920s, before Franklin Delano Roosevelt's New Deal civilised labour management relations by creating a legal framework for union recognition and collective bargaining, and a board to regulate conflict." (The Age 11 Oct 2005)

Employer organisations, as the major beneficiaries, are generally supportive of the proposed changes. Trade unions, as the major target, are strongly opposed to the changes. Social institutions and religious organisations are genuinely concerned because of the social implications and the impact of the changes on those in the semi-skilled and unskilled areas of the labour market, whether employed or unemployed.

In this series of newsletters attention will be focussed on the social effects of the proposed changes and the degree to which it can be claimed, as Carla Lipsig-Mumme (see above) claims that "the changes spell a return to the law of the jungle in industrial relations."

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The Minister for Workplace Relations, Kevin Andrews, has on a number of occasions made statements to the effect that "the primary responsibility of government is to create conditions under which as many Australians as possible who want a job can get a job."

This is a fine statement, but.....and there is a very large "but".

But what is the basis upon which this principle is to be implemented? For it is this basis which will give a true indication of the intentions of government. Is this principle to be implemented while ensuring the maintenance of a "living wage" for all workers, or is this principle to be implemented by reducing the standard of living of the lower paid workers?

If it is the former, that living standards will not be reduced, then clearly some further initiative is needed from government. * The proposed changes as they now stand will not ensure maintenance of existing living standards.*

If it is the latter, and there is no intention of ensuring maintenance of living standards, then in effect wages for the lower paid workers will be left largely to market forces. Existing living standards will be eroded. Comments by the Minister indicate that this is indeed the intention of government, and that the opportunity for employers to hire workers on less than award conditions as provided by the proposed changes "was all about giving them a job".

The Prime Minister has also made the point quite forcibly that the major objective of the proposed changes is greater economic growth. If economic growth is the prime objective, it must be borne in mind that economic slavery, whereby employers determine all conditions of employment and have full control over employees in the work environment, will maximise economic growth. Is this the direction we are going?

If the government is serious about moving towards a deregulated labour market where wages are determined by market forces (subject to some basic minimum standards) then it should also be looking at additional measures to ensure the maintenance of a reasonable and acceptable living standard for all. This is one of the objectives of a Support Income system advocated by OASIS-Australia, as described in my book "Unemployment Forever, or a Support Income System and Work For All", pp.48-49.

"A support income system will help provide greater equity and social justice in a free and competitive labour market with a decentralised industrial relations system. In Australia today there is recognition that state action is necessary to provide this equity and social justice, and means tested welfare benefits have been introduced for the lower wage earners with children. A support income system will provide this equity and social justice without need for further state action, and in this way can be seen as an essential ingredient of a free and competitive labour market.....The effect of a support income system will be to

reconcile the need for equity and concern for the welfare of all people, as presently expressed by state interventions, with the desire for greater reliance on a free and open labour market to enable Australia to become a more competitive and more efficient trading nation. A support income system will replace regulation with self-determination, and will provide encouragement for individual development which will collectively help achieve greater national development."

Allan McDonald for OASIS-Australia 19 Oct 2005