• The Productivity Commission’s proposed reforms of Australia’s workplace relations framework
  o In 2015 the Productivity Commission realised its report on Australia’s workplace relations framework
  o What is required is repair not replacement
  o This chapter focuses on 3 potential areas of change
    ▪ Introduction of new enterprise contracts to provide for variations in awards
    ▪ Potential impact of the minimum wage on employment
    ▪ Changes to penalty rates for weekend work – Commission was concerned that rates are inconsistent with their original stated purpose

Harris (2016) – Towards a new workplace relations framework? A View from the Productivity Commission (textbook chapter 9)

• A uniquely Australian labour market characteristic is the use of awards as a regulatory structure to set wage and condition levels – highly prescriptive
• Need to reconsider if there is still a value of the residual award structure – due to high prevalence of enterprise bargaining
• Awards provide useful templates for reasonable employment contracts and address some of the bargaining imbalances
• Awards also play a role in enterprise bargaining – better off overall test
• But lack of opportunity to innovate (due to awards) is a drag on potential improvement
• Still remains scope to simplify the language of awards, remove some of their often excessively prescriptive requirements, to include explicit scope for certain types of flexibility e.g. annualization
• This chapter puts forward the ideas of an enterprise contract
  o Derives from the award and only departs from it in a clearly specified manner
  o Businesses would have an obligation to publish each change in award conditions via FWC website → transparency, limit bad behaviour
  o No disadvantage test would apply
  o Workers can shift back to the award after a period of time if they choose
• Alternatives to a minimum wage e.g. Earned Income Tax Credit (commonly used around the world for some of the stated purpose of the minimum wage or to supplement it)
• They believe small rises in the minimum wage will have little/no effect on employment
• But contradictory position when it comes to variations in penalty rates
Lecture (26/08)

The years 1890-1907 provide...

- The context for a policy that lasted for a century
- Similarities and differences to today
- An example of the links between theory and outcomes
- An example of why IR policy is important
- In 19th C wool was one of the biggest exports
- Similarity – the primary industries (agriculture and manufacturing) are pivotal to the export economy, it ties us into the global economy
- Similarity – an economy affected by global finance and trade, resource exports vital, a divided economy since some areas of the economy are more important
- Difference – the economy collapsed/slowed down as the price of wool fell dramatically, the British cotton mills were buying less wool and for less money, pressure on wool companies and export/shipping companies because of this, this means big problems for everyone in Aus, massive economic crisis (depression of 1890s),
- Difference – the workers were predominantly men, and were more likely to be unionised than not, employers wanted to move away from union agreements, strikes because they think the unions are being attacked, employers respond with lock-outs, disputes in the key industries
- How would the state regulate work?
  - The state had the answer this question – govts couldn’t avoid answering this question
  - The answer they came up with can be understood by Hyman’s framework of accumulation/pacification/legitimation
  - The terminology used by Bfort and Budd was used a lot
- Maritime industry in 1890 – employers wanted to set wages for individuals rather than on an industry level, the state (the police) provided protection to maritime workers during a strike
- Also no economic activity in Broken Hill – many strikes and lock-outs

The policy making process 1904-1907

- A policy of compulsory conciliation and arbitration through a law passed by the new national parliament (1904-1990s) – the first IR policy
- This law sets up tribunals to deal with the major disputes that are across the states and that can cause major unrest and economic crisis, “for the prevention and settlement of industrial disputes extending beyond the limits of any one state”, wages are the wages set between the unions and the employers, this is more like pluralism, these wages were called awards since Judges said “I award you a wage of…”, union-based
- The Arbitration Court set what would become a precedent of a basic (minimum) wage for men in 1907
- Higgins was the President of the Commonwealth Conciliation and Arbitration Court, he set the basic wage in 1907
WORK 2203

But how did this policy emerge from the chaos of the 1890s?

- The outcome might seem logical but why did it happen?
- In the 1809s, the employers wanted individual contracts to replace union agreements
- The employers won every dispute they entered into, defeating seemingly powerful unions in mining, shearing and maritime industries
- And the state supported business and attacked unions
- So why would the state pass pro-union laws 10 years later?

Explaining this policy

- Explaining the transition away from unrest
- The state’s role changes over this period – resolving conflict through pacification but then changes to become more democratic, later more focus on equity and voice
- We can think in theoretical terms about what happened as policy was make, aiming to...
  - Resolve conflict (pacification or legitimation) and
  - Provide stability (accumulation)
  - With clear policy goals (incl. voice)
- But we still have to ask what happened that made this policy come about – a policy that introduced arbitration and protected unions to achieve these goals?
- Policy came in part from shearsers’ camps and from disputes in urban factories and from the problem of women workers (insisted on going out to work when society viewed their role as staying at home)
- 3 parts to the question – what do we do about the unrest, the problem of women workers and the rise of the manufacturing industry? How should work be regulated?
- First Labor govt in 1899 (Labor party set up state by state) – only a few years later after the govt supports businesses over unions

Why, just 10 years after all these disputes did we have a policy which forced employers to deal with unions?

- *It's about more than IR – it's about trade policy, race relations and gender relations*
- We can see it as a state attempt to deliver efficiency, equity and voice
- *It’s also about institutions, ideas and interests*
- Questions about businesses wanting to pay low wages to stay competitive
- Mining industry needs to be on good terms with their employers – exports are important
- What the manufacturers and their workers want is trade protection e.g. tariffs
- Both of these industries need the state’s support
- The state and the policy makers wanted to develop the Aus economy – they wanted an independent manufacturing industry (for economic prosperity and defence) not mining and wool industries that rely on exports
- The state introduced tariff system to make imports more expensive – this would guarantee the Aus companies a place in the market
- The state said that if they guarantee profits through tariffs you need to *pay fair and reasonable wages*
- The state was trying to create outcomes that create mutual benefits
- At this time most white men could vote – different to many other countries