

Economic Development, International Trade and Employment Resolution

ACTU CONGRESS 1997

INTRODUCTION

The unacceptably high levels of unemployment and underemployment is the major economic and social issue confronting Australia as we enter the 21st century. The social impact of the Howard Government's "fight inflation first economic strategy" is becoming more and more devastating for ordinary Australian families. The Federal Government's abject failure to develop far sighted economic and industrial policies is hastening the jettisoning of jobs and the closure of Australian industries. It is promoting a sense of hopelessness among our nation's youth, it is greatly exacerbating social crises of various kinds and it is also laying a basis for racists and extremists to peddle the policies of hatred to a worried electorate.

The Australian economy requires a dynamic and progressive mix of policy and Government intervention in the areas of economic and industry development, employment and taxation. A major objective of the Trade Union Movement must be to promote the correct policy mix designed to accelerate the rate of job creation and make significant progress in reducing unemployment to less than 5%.

Australia has an obligation to reduce unemployment to less than 5%. The nation can reach this figure and the ACTU commits itself to this target. To achieve this objective requires a short term action plan as well as a medium term strategy to strengthen Australia's export and import competing industries so that average economic growth rates of more than 4.5% per annum are sustainable over the course of the business cycle. Conference notes that each additional 1% growth will create 52,000 additional jobs and reduce unemployment by 6%.

Congress is of the view that the conservative current policy mix will not produce adequate jobs growth. A recent survey of 32 economic forecasting groups suggests unemployment in June 1998 will still be in a range of 7.9% - 8.7%. The union movement believes this unacceptable outcome is due to the preoccupation of the Coalition Government with so-called "industrial relations" reform, reducing the size of government, reducing support for industry and investment, and downgrading and reducing services in areas such as Health, Education and Transport. Their current policy agenda with its fixation on industrial relations, workplace individual contracts, union busting and a GST will not help the nation make significant progress in reducing unemployment to 5% or less.

The Federal Government has profoundly misunderstood the damage done to domestic confidence arising from its severe budget cuts and its widespread promotion of job insecurity. Australian families with a lower social wage, a static industrial wage and deep concerns about job insecurity make very reluctant consumers.

The Howard Government has an obligation both economically and morally to develop a bipartisan short term action plan to immediately create more jobs. Congress calls on the Federal Government to set annual employment growth targets so that by the year 2000 Australia has achieved a reduction in unemployment to no higher than 5% of the workforce.

JOB CREATION

The ACTU of between three and four billion dollars of additional public expenditure is required in the following areas.

Public Works

Infrastructure

Community Services

Short term job creation

Employment programmes targeted at the long term unemployed

Previous studies have demonstrated that this type of programme will generate around 100,000 jobs over 18 months. It is a programme that should have been put in place a year ago.

Part of the additional public expenditure must be allocated to create additional social infrastructure programmes in areas such as Health and Education creating increased employment opportunities in areas such as teaching, nursing and associated areas

In the context of such a program being put in place the ACTU and unions will engage in a process of collective bargaining and co-operation with employers to create an additional 100,000 jobs for apprentices and trainees over and above those who would otherwise be employed by the year 2000.

The ACTU Congress opposes the proposed trial of the "Work for the Dole" Scheme as a means to solving unemployment. Congress recognises the scheme will not create employment and will instead impinge upon the current number of paid positions in the Australian workforce.

The Federal Government must provide a free public employment service available to assist all Australians find jobs. Employment programmes for the long term unemployed and disadvantaged job seekers must be available through a strong infrastructure of public and community organisations throughout regional and metropolitan Australia.

SUSTAINABLE GROWTH

In order to sustain a high growth strategy over the medium to long-term Congress believes a number of initiatives are required. These initiatives should be taken in the areas including :

Trade and industry development

Export expansion and import replacement

Tariff levels

Industry Supply Office network

Congress recognises that companies, unions and workers have the main responsibility for increasing the productive performance and international competitiveness of their industries. However, the measurement of international competitiveness must focus on a range of factors rather than a simplistic focus on cost competitiveness. It must embrace human rights, trade union rights, ecological sustainability and the quality of life. In addition, a proactive government role is fundamentally important to developing our industries.

The ACTU supports a Trade and Industry Development Programme. This should comprise the following elements :

Australia needs to attract more wealth creating investment in high value added activities. We need to avoid speculative investment and give far greater attention to promoting productive investment that creates new jobs and industries, particularly in regional Australia. The ACTU will assist, where appropriate, in helping to remove any impediments to invest. However, Government must take the lead with a major \$3 Billion Investment Incentive Program:

a] One billion dollars to attract Greenfield information technology facilities to Australia (and keep existing facilities anchored here)

b] One billion dollars to attract new investment in regions with unemployment currently above 10%. The new investment to include projects in manufacturing, social and physical infrastructure and the environment

c] One billion dollars to "leverage up" new investment opportunities in industries across Australia.

Congress estimates these initiatives have the potential to attract more than \$15 billion in additional investment and generate up to 300,000 jobs by 2010.

Export Expansion and Import Replacement Incentives for the Tradeable Goods Sector to commit one billion dollars over three years in the following areas:

a] \$500M over three years for a new Development Import Finance Facility

b] \$350M over three years for Export Market Development Grants

c] \$150M over three years to re-establish the International Trade Enhancement Scheme to provide low interest loans for import replacement and export expansion.

International Trade

a] ACTU Congress recognises that acceleration of the "free world trade agenda" by international capital is of paramount concern. Congress rejects the three basic tenants of free world trade - market liberalisation, deregulation and privatisation as being exploitative, undemocratic and inhumane where it is undertaken without the acceptance and application of ILO core labour standards in regard to:

-Freedom of Association

-Collective Bargaining

-Anti-discrimination

-Child Labour

-Forced Labour

b] The ACTU views APEC with serious concern, due to its social dislocation of workers and the widening gap of income distribution and its rejection of ILO core labour standards. As such, we support a pause in any further cuts in tariffs until at least the year 2006.

c] The Australian Trade Union Movement will work with other progressive Union Movements and concerned non-government organisations (NGOs) in all APEC countries to develop an action agenda for:

-Worker rights

-Human rights

-Environment protection

-Trade and economic development.

If such an agenda is agreed to but cannot be progressed through APEC then we will seek a collective decision and action about the future of APEC. Such a collective decision made by unions and NGOs in APEC countries would carry much more weight politically in arguing about the future of APEC. It, then, can provide the basis for collective international action in fighting issues such as globalisation.

d] We note that countries can raise their existing tariffs to their bound levels provided they follow the procedures of the WTO. Should such action be required the Union Movement will lobby Government to increase tariffs in a manner consistent with our WTO obligations.

e] Congress calls for the Multilateral Agreement on Investment Negotiations currently being negotiated to be transparent and open to public scrutiny.

Productivity Commission

Congress notes that the Productivity Commission has no credibility with the trade union movement, the business sector or the community. It delivers ideologically based and predictable conclusions designed to promote economic rationalist views and please its political masters. The Productivity Commission should be abolished and Government should establish a range of options for advice on industry development issues.

Research and Development and Venture Capital

a] The 150% R&D tax concession should be reinstated and remain unchanged until 2010. Small business innovation funds should be doubled in order to accelerate venture capital development.

b] Government must do more to ensure innovation is commercialised in Australia particularly for small firms. Green industry innovations must be given priority and commercialisation of public sector innovations must be funded to the extent required.

The Industrial Supply Office Network and Government Purchasing

a] To promote import replacement, particularly in major investment projects, the resources of the ISO network should be expanded. Major project developers must accept that access to Australia's resources requires a commitment to work with the ISO's and industry to increase the level of Australian industry participation in all phases of the project.

b] Australia should not become a signatory to the WTO agreement on Government Procurement and a strategic plan to enhance the involvement of Australian firms in Government purchasing needs to be put in place.

The Environment and Cultural and Ecologically Sustainable Development

a] To the greatest extent possible, the principles of equity, access and of cultural and ecologically sustainable development need to be incorporated into the decision making process that determines the future of industry development

b] An environmental industry development strategy needs to be developed to promote import replacement, export expansion and the creation of jobs in cultural and environmental management

c] Specific areas of concern should include :

- Improvements in cultural and environmental management
- Improvements in land management practice
- Improvements in water quality
- Reduction in air pollution
- Improvements in coastal management

Sectoral Approach

The Federal Government needs to adopt a sectoral approach to the development of key industries in Australia. The industries nominated for particular support should include but not be limited to :

- Education and Training
- Tourism and Recreation
- TCF
- Engineering
- Vehicle and component manufacturing
- Telecommunications
- Financial Services
- Information Technology
- Processed Food

An approach similar to the Supermarket to Asia initiative should be adopted with a focus on identifying and removing the factors which impede higher levels of growth and exports.

x] Dumping

a] The ACTU reaffirms its total opposition to dumping. Import prices must reflect the real costs of production, not prices so as to create instability for the market pricing system.

b] Where dumping or attempts to dump occur, the Government must act expeditiously and decisively with enforceable policies and action. Policies have to be strict so as to discourage attempts at dumping. The overall policy must be designed to be a safeguard for Australian industries, products and thus employment.