

Australian Union Movements' Charter for Jobs Strategy

ACTU Congress September 1991

1.1 The key social, political and economic priority over the next two years must be job creation. Despite the significant employment gains made during the Accord the current recession has had a serious effect on the Australian workforce in terms of job losses and falling living standards. A national unemployment level of near 10% with higher levels in some States and among certain groups such as the young, cannot be tolerated by the Australian trade union movement or the community in general.

1.2 The statistics regarding the numbers, ages and background of the unemployed are tragic;

- Nearly 802,000 people were unemployed and actively looking for work in July.
- 188,000 of the unemployed are from families where no one had a job, up from 130,000 a year earlier. Over 175,000 children under the age of 14 are growing up in homes where no one has a job.
- Whilst the rate of youth unemployment is significant the increase in this area has been smaller than for other groups with more than 60 per cent of the rise in unemployment being in the 25-54 age group. This represents a 50% increase in twelve months compared to a 23% increase in unemployed teenagers and a 35% rise in unemployed over age 55.
- The period of unemployment is also increasing dramatically. The number unemployed for three months or more has gone up to 521,000, an increase of nearly 70% from a year earlier. The number unemployed for over twelve months has gone up to 187,500 a rise of 50% over the year.

1.3 These statistics represent the magnitude of our unemployment problem. They indicate a tragic loss of human potential and productiveness. To the individuals concerned unemployment results in low living standards and low self esteem. Years of a productive and full life can be lost through unemployment and to the trade union movement this should be regarded as utterly unacceptable.

1.4 In contrast to the increase in unemployment the inflation performance of Australia has recently improved significantly. The inflation figure of 3.4% for the June quarter was the lowest inflation rate experienced in Australia for over 20 years. With success on the inflation front, the immediate and continuing task is to attack the unemployment problem through the creation of productive permanent jobs.

1.5 The task of reducing unemployment has been made more difficult by the irresponsible and criminal actions of some bankers and business "leaders" who have plunged the banking sector into massive bad debts and have plundered the nation's productive sector with their get-rich-quick schemes based on unsustainable borrowings and bad management. There is a need for more effective supervision of the business and banking sectors and for the prosecution of those involved in criminal activities during the 70's and 80's.

1.6 In considering the nation's economic priorities the goal of reducing unemployment must be paramount. In the long term we must achieve a satisfactory position with our balance of payments and lower inflation outcomes, however these goals should not dictate a lack of action to lower unemployment levels as quickly as practicable through appropriate policies to promote growth in an economy which is presently under-performing in terms of its real capacity.

1.7 Whilst improvements have been made to the economy in a number of areas more remains to be done. Our economy has been isolated in the past and this has left a legacy of bad management and employment practices which need to be addressed and overcome in our attempts to compete in

international markets. The ACTU and unions do not turn away from a reform agenda so long as others in the community make a real contribution to the overall effort needed.

1.8 The process of reform which has been commenced over the last decade needs to continue. The ACTU and affiliated unions are willing to continue with their efforts in the context of active participation and support by Governments and employers but the burden of change must be shared equally throughout the community together with the maintenance of an overall commitment by the parties to social justice.

1.9 The recent statement by a number of business leaders sets out an action program to improve our economic performance. We give that program support and will seek to work constructively with those involved in its implementation.

1.10 The union movement should be prepared to work with supportive Governments, community groups and employers to achieve improved performance in the following areas.

- Investment
- Industry Development
- Infrastructure
- International standards
- Wages system
- Union structures
- Skills, competence and labor market policy
- Industrial relations
- Micro-economic reform
- ACTU - Government Accord

The matters of significant concern related to the above issues are set out below.

2. Investment

2.1 We support an increase in productive, internationally competitive investment in Australia.

2.2 In the past too many major investment proposals, particularly those in the area of natural resources, have been lost to Australia because of uncertainty in a range of areas. The ACTU will support effective steps being taken to provide for realistic and consistent standards to be met by development proposals and for Government encouragement to be given to significant new investment proposals. We will give strong support to efforts to establish an Industry Development Fund to ensure that more investment funds are available for productive investment.

The ACTU also supports further reductions in interest rates occurring at the earliest practicable time - we note that interest rates have now been reduced by 8.5% since January 1990.

2.3 The ACTU/unions program calls for;

- Ongoing reductions in interest rates consistent with the fall in CPI and the capacity of the economy to cope with higher rates of economic growth

- Capital being available at competitive rates for productive investment through the establishment of an Industry Development Fund.
- A removal of delays and impediments to productive investment through establishing predictable environmental and other standards at the "best available technology" level for use in development projects.
- Greater Government pressure on foreign companies which have set up in Australia to undertake investment particularly that directed towards achieving greater levels of exports.

3. Industry Development

3.1 The Australian economy has for many years been reliant on the revenue from exports of largely unprocessed primary products, energy and minerals. We have failed to develop viable, export oriented, high value added manufacturing and service sectors. Governments have attached an inadequate level of importance to the need for supportive policies to encourage and develop export oriented manufacturing and service industries in Australia.

3.2 The ACTU and its affiliated unions will continue to attach a high level of importance to the development of the manufacturing and service sectors. We will work together with employers and Governments to ensure that conditions are conducive for their development and expansion in Australia. This requires in part :

- The introduction of more substantial efforts to develop a sectoral approach to industry development whereby opportunities are identified in various sectors and a strategy put in place involving Governments, employers and unions to promote growth and exports
- Ensuring that adequate capital is available for productive investment in industry development
- Promoting the purchase of equipment and services produced in Australia by companies and Governments involved in major investment projects
- Active and ongoing support by Governments to the development of the manufacturing and service sectors
- Fast and effective anti-dumping provisions
- Known, stable, world-class environmental standards
- Expedient case by case consideration of major new projects
- Acknowledgment that a "level playing field" is not in place in any major economy

4. Infrastructure

4.1 Over the last twenty years there has been a significant reduction in Government expenditure on public infrastructure. The quality of our roads, public buildings, transport services and cities has not kept pace with the needs and expectations of the community. We recognise also that export industries rely heavily on public infrastructure investment. Whilst there have been some commitments made in the recent Federal Budget to begin to redress the balance it needs a more substantial effort.

4.2 The ACTU and affiliated unions will support a significant expansion of expenditure on Australia's social and economic infrastructure to improve the quality of life for Australians, and also to stimulate economic activity and generate new jobs. In this context there may be both public and private sector participation in infrastructure development.

5. International Standards

5.1 Standards in Australian workplaces generally have not been satisfactory in a range of areas. Best international practice in terms of quality, productivity and other matters is often in advance of Australia. Little attention has been paid to modern forms of work organisation, career structures, and skill development.

5.2 The positive future for Australia is not as a low technology, low skills, low wage country but an economy which aims for high productiveness, high skills and high wages.

5.3 The union movement will support initiatives to introduce modern approaches to work organisation and flexibility which achieve higher levels of remuneration for workers and higher levels of quality and efficiency in enterprises. These reforms need to be undertaken in a consultative and positive manner and not focus, as has often been the case in the past, on negative cost cutting as a supposed (but illusory) short-cut to productivity improvement.

5.4 The ACTU/union program calls for;

- More widespread application of better technology and modern forms of work organisation based upon providing greater training, flexibility and authority to all employees within an Award framework.
- The support of the most senior levels of management
- for a program of change in the workplace based not upon
- short term cost cutting but on upgrading of skills,
- responsibilities and remuneration.
- The acceptance of active union involvement in the process of change.

6. Wages System

6.1 The wage system is the immediate means by which workers obtain a share in the benefits of their production. Over the last decade the union movement has pursued a policy of seeking responsible wage increases through a centralised wage system. In a number of areas the outcome of the wage system has been a fall in the real value of wages for many workers.

6.2 Whilst reductions in taxation, increasing job opportunities and improvements in the social wage have offset the wage reductions they are not an adequate substitute for wage rates increasing in real terms over time.

6.3 A continuing fall in the real value of wage rates cannot be accepted. Whilst the policy to be pursued will be responsible in economic terms it must be based on improving living standards for workers.

6.4 The ACTU will continue to pursue a responsible wages policy which can be implemented consistent with important objectives such as lower inflation levels and employment creation. An increased emphasis will be placed upon improving flexibility and productivity at industry and enterprise level within an Award framework of acceptable standards for Australian workers. The centralised system will necessarily have less influence on wages outcomes as the parties move towards industry and enterprise negotiations. The outcome must be wages increasing faster than prices.

7. Union Structures

7.1 There is general agreement that Australia has too many unions. One consequence of the number of unions currently operating is that union members in many cases do not receive the services which should be provided. Another consequence is that the process of bargaining is made much more complex at workplace and industry levels.

7.2 The union movement has for several years been actively pursuing a program of union rationalisation and amalgamations, with increasing success.

8. Skills and Competence and Labor Market Policy

8.1 If Australia is to be capable of changing the balance of its economy to increase the contribution of high value-added activity we will need to increase the skills and competence of the community in general and the workforce in particular. There are special needs in the area of literacy, numeracy and communication skills.

8.2 The ACTU and affiliated unions will support moves to make more opportunities available for education and training, to encourage young people to obtain higher qualifications prior to leaving full-time schooling or in a post-school training system and also to improve the content of studies to recognise the need to include work-related vocational elements in the final years of secondary school.

8.3 Governments must introduce and properly resource active labor market policies to offer opportunities to individuals in areas such as retraining, rehabilitation and relocation so as to maximise their potential for employment. These policies must be positive and designed to assist the individual re-enter the workforce - they should not be designed as punitive where individuals cannot reasonably participate or cope with the arrangements put in place.

8.4 It must be accepted that in times of high unemployment there is limited opportunity for the long term unemployed to obtain work. Their inability to obtain a job should not be used to deny unemployment benefits.

9. Industrial Relations

9.1 One area of continuing concern to the ACTU and unions is the number of industrial disputes in Australia. By international standards Australia still loses more time through bad industrial relations than many other countries although the overall level of lost time has reduced considerably in the last decade.

9.2 Many industrial disputes arise from management decisions which are taken without proper consultation with employees and their unions.

9.3 The ACTU and its affiliated unions have no interest in needless industrial disputation. Within a framework of better consultation between employers, employees and their unions and an industrial relations system which aims to increase living standards along with increasing productivity and skill levels it is possible to further reduce the level of time lost due to industrial disputes. However, this will, to a large extent, be determined by supportive action from employers and Governments.

10. Micro-Economic Reform

10.1 If Australia is to be internationally competitive we must focus on the economy overall, not only the sector which has to compete directly at the international level. The need for a rejuvenated Public Sector at all levels is necessary to ensure that the services required are in place to support such economic development.

10.2 We recognise the need to support efforts to improve the efficiency of the supporting sectors of the economy. The union movement supports measures to improve the effectiveness of Government regulation and processes particularly in ways which will reduce business overheads. Where further micro-economic reform can demonstrably reduce overall costs to the community while not causing inequities in regard to the availability of Government services or a drop in employment standards it should be encouraged.

10.3 The union movement reaffirms its fundamental commitment to a strong and viable Public Sector. Micro economic reform should not be used as the excuse to reduce public sector spending - it is about efficiency and quality and not simple cost cutting. Public sector services are an important contribution to the quality of life of all Australians and the ACTU rejects the proposition put forward by the Conservative parties that reductions in public sector expenditure are desirable for their own sake.

10.4 The ACTU program calls for;

- An ongoing examination of proposals for further micro-economic reform with the implementation of those programs where significant net benefits to the community can be shown.
- Fair treatment of individuals affected by micro-economic reforms. Job security with no compulsory job loss should be assured. Employment conditions should be maintained and improved.
- Tangible benefits by way of lower prices and better services being provided to the community.

11. ACTU Government Accord

11.1 Since 1983, the ACTU and the Federal Government have reached a series of agreements through the Accord process. The original prices and incomes Accord was designed to attack the double-digit inflation and unemployment that existed as during the 1982-3 recession under the Fraser-Howard economic policy regime.

The Accord was successful on the employment front, creating 1.6 million jobs to December 1990, slashing unemployment from 10% to a low of 6%. The Accord framework is in place to restore employment again and we are without the immediate inflationary problems of 1982-83.

11.2 The Accord's social wage achievements are considerable. Medicare, family allowance supplement, child care, tax reform, termination charge and redundancy, and (now) superannuation have all been delivered through Accord negotiations between the ACTU and the Federal Government.

11.3 Congress believes that through the ongoing application of the Accord the relationships between the ACTU and the Federal Government make it better equipped to handle the matters of mutual concern to both parties and help bring further benefits to the workforce through wages, job creation and meeting social wage objectives.

12. ACTU / Unions Commitment

12.1 The package of measures set out in the ACTU Jobs Charter is conducive to the creation of jobs, careers and rewarding work which will be sustainable in a competitive Australian economy. These measures must be supplemented by a full array of active labour market policies directed to achieving an early return to work for unemployed people, and must be buttressed by an active industry policy.

12.2 The package needs to have the commitment of the ACTU Congress and must be seriously addressed by Governments and the business sector to achieve an early reduction from the current unacceptable levels of unemployment in the Australian community.

12.3 The ACTU Executive should seek early negotiations with business leaders and governments to bring about appropriate changes to policy. Affiliates should seek to apply those elements of the charter which are relevant to their areas. The union movement will seek to support these objectives to secure the best opportunity to reduce unemployment as quickly as possible.