

INDUSTRIAL DEMOCRACY POLICY

ACTU Congress 1989

1. PREAMBLE

1.1 Congress declares that the direct involvement of working people in decisions which affect their daily lives in the workplace represents an essential element of participation which is required in a free and democratic society.

1.2 Congress notes that despite a great deal being written and spoken about the need for change in the decision making processes in Australia the application of approaches which are relatively common in Western Europe, Scandinavia and elsewhere remains the exception. Whilst the involvement of members in areas such as Occupational Health and Safety, industry development and job security provisions represents a significant step forward more comprehensive change is required to obtain an adequate involvement of union members in the decision making process.

1.3 The changes taking place within the Australian economy and society in areas such as skill development, working practices, work organisation, equal opportunity and employment and new technology cannot be accommodated by reliance on traditional patterns of ownership, organisation and control. This will require change away from Taylorist forms of work organisation and authoritarian management structures and implementation of forms of work organisation which are inherently democratic, which encourage innovation, involvement and the optimum application of skill and experience.

1.4 Industrial democracy which assures workers of effective participation and representation cannot be achieved without the support and involvement of the trade union movement.

1.5 Industrial democracy is not an artificial objective in itself, it is a process and means for dealing with workplace problems such as job security, work organisation, skill development, occupational health and safety, improving the work environment and technological change.

1.6 The application of Industrial Democracy needs to take account of the experiences and culture of particular industries and enterprises and not be restricted by a single rigid set of rules or structures.

2. WORK ENVIRONMENT

2.1 The ACTU is concerned to ensure that jobs are created or reorganised in a manner which benefits Australia's workers by increasing their economic and industrial role in the workplace.

2.2 Congress calls on affiliates to take every opportunity to extend the role of workers at the enterprise and industry levels. This should be undertaken on a comprehensive basis utilising agreements between unions and management and,

where appropriate, the establishment of rights through Awards and legislation. Various approaches such as consultative committees, consideration of new technology job redesign and job enrichment whilst not sufficient in isolation can lead to the development of industrial democracy through an expansion of such involvement over time.

2.3 New Technology, rapidly changing requirements in skill formulation and work organisation, new management techniques, equal employment opportunity and the need for cleaner and safer work have all combined to create a higher level of interaction between unions, their members and employers. Congress acknowledges that the maximum adaptation to achieve an overall upgrading in skills requires a work organisation structure which focuses upon the group rather than the individual and also life long training opportunities associated with a worthwhile career structure.

3. THE ISSUES

3.1 The process of industrial democracy will only be maximised when it is seen by workers as constituting demands consistent with their objectives and are relevant to their areas of concern. Consequently, the union movement should undertake activity around issues such as:

- (i) job security
- (ii) adjusting to technological change
- (iii) health and safety
- (iv) job design, supervision and general improvement in work processes
- (v) education, training and retraining
- (vi) contracting and sub-contracting
- (vii) industry development policies
- (viii) equal Employment Opportunity
- (ix) union rights and the implementation of the shop stewards and shop committee charters.

4. EDUCATION AND RESOURCES

4.1 The introduction of industrial democracy should be through established union organisation arrangements. Adequate facilities, rights, access to information and training opportunities must be available to unionists participating in industrial democracy processes.

4.2 The ACTU calls upon governments to provide resources which encourages the expansion of industrial democracy in Australia. These include:

(i) provide general education through schools and tertiary institutions so that persons entering the workforce will have a better understanding of democratic forms of work.

(ii) facilitate activities which provide general education about democratic forms of work for those already in the workforce with special emphasis upon the needs of ethnic workers, and which build upon Equal Employment Opportunity programs;

(iii) assist unions and industry to develop educational programs around practical activities to increase democracy at work and to improve the effectiveness and competitiveness of Australian industry.

5. INDUSTRY DEVELOPMENT

5.1 Congress believes that its industry development policy must be closely integrated with the policies on Industrial Democracy. Re-development of the manufacturing industry will rest heavily on the workforce being motivated to contribute to such development and this can only be achieved by them having access to meaningful information and decision making as outlined in this policy.

6. EMPLOYEE FINANCIAL PARTICIPATION

6.1 Congress notes that employee financial participation is increasingly being proposed as a form of participation by employees in their enterprises. 6.2 Proposals for the introduction of employee financial participation must be independent of wage levels and accompanied by an extension of employee involvement in decision making in enterprises. In isolation employee financial participation is an insufficient and unacceptable form of employee involvement.

6.3 Employee financial participation can take a number of forms. Two examples are employee share ownership and profit sharing.

6.4 Proposals for the introduction of employee financial participation require the active involvement of unions on behalf of employees. This involvement will lead to better scheme design and more security for the individual employee's interests. Unless this occurs there is a significant risk of inequitable and financially unsound schemes being imposed on workers.

6.5 Congress notes since public ownership means that the whole community owns and controls public enterprises through government ownership which is accountable to Parliament individual share ownership including individual employee share ownership is not appropriate in those enterprises.

7. WORKPLACE RIGHTS

7.1 Congress notes that industrial democracy will not have a significant impact in Australia until a base is established for its application. Areas which require attention include:

(i) The establishment of a right of involvement in a range of decisions which affect the daily working lives of members. Such involvement to include matters such as those listed above. The right of involvement could be established through legislative or award prescription and would be exercised following union decisions to seek membership participation in enterprises or industries in appropriate circumstances.

(ii) protection of the rights and facilities of shop stewards and union organisation, especially at the workplace level;

(iii) A requirement for employers to provide information on request from unions and their representatives and a requirement to negotiate on issues as requested on matters such as technological change, industry development, work organisation and sub-contracting.

7.2 Congress calls upon the incoming Executive to consider an application to the Industrial Relations Commission to achieve a right in Awards for the establishment of Works Councils at the industry and enterprise level. Such councils to be elected by and from union members, to involve senior management at the enterprise level, to have a wide term of reference to consider matters such as those listed above, but in particular to act as a facilitator to ensure that many employees as practicable have the ability to participate in decisions which affect them.

NEGOTIATION PRINCIPLES - EMPLOYEE SHARE OWNERSHIP IN PRIVATE INDUSTRY -

Where unions are dealing with proposals for issuing shares to employees, or employees demanding shares, the following principles should be followed:

(1) Wage levels and conditions of employment are independent of share ownership. Wages should not be discounted in return for rewards from financial participation.

(2) All employees in an enterprise must be eligible to participate.

(3) Schemes must be structured to take account of financial ability of lower paid employees, to enable their participation. Preferably schemes should be self-financing, minimising financial risk to employees.

(4) The preferred option is an democratically controlled employee trust, focussing on group ownership and control.

(5) Shares must be equitably distributed between employees. The preferred option is that rewards are the same for all levels of employees.

(6) Schemes must be subject to full consultation and decisions by employees.

(7) Trade unions should be involved at all stages and on an ongoing basis, providing expert advice, education, and protecting and advancing employee interests.

(8) Schemes must be part of a comprehensive approach to greater employee participation as outlined in the ACTU Industrial Democracy Policy.

(9) Employee share ownership is not appropriate for public enterprises since they are owned and controlled by the whole community.

NEGOTIATION PRINCIPLES - PROFIT SHARING -

Where unions are dealing with proposals for profit sharing, the following principles should apply;

1. Wage levels and conditions of employment are independent of profit sharing, and should not be discounted or traded off in return for profit sharing.
2. All employees in an enterprise must be eligible to participate.
3. Schemes must be negotiated collectively for the enterprise, including agreed criteria for definition of profit, and access to all financial information.
4. Schemes must be equitable between employees, with rewards preferably the same for all employees.
5. Schemes must be subject to full consultation and collective decision-making by union members.
6. Trade unions should be involved at all stages and on an ongoing basis, providing expert advice, education and advancing employee interests.
7. Schemes must be part of a comprehensive approach to greater employee participation as outlined in the ACTU Industrial Democracy policy.