

## INDUSTRY DEVELOPMENT POLICY - 1987 DECISION

1.1 Consistent with ACTU Economic Policy, Congress asserts that the direction of industry development is now a central issue in the economy and in the maintenance and growth of living standards.

1.2 At a time of unacceptably high unemployment, coupled with the constraints imposed by balance of payments and current account deficits, an effective industry development policy is essential if the basic problems confronting the Australian economy are to be overcome.

1.3 It is accepted by the ACTU that Australian industries will need to undergo major change, due to a number of domestic and international factors. The process of change is extremely difficult in both economic and social terms.

1.4 As distinct from the chaotic ad hoc and very damaging reliance upon pure market forces the trade unions will continue to work to have long term objectives established with clear priorities, specific targets and flexible adjustments for change whilst taking market forces into account.

1.5 Such adjustment is essential in Australian industry if growth is to be maximised in the longer term. The necessary adjustments and the attainment of the objective of full employment will be more readily secured if policies facilitating change are integrated with general economic policies via the planning mechanism.

1.6 In a context of rapid technological and social change such as the present, with increasing internationalisation of the world economy and the associated heightening of competitive pressures, it is essential to recognise the inherent interdependence between:

new investment and new technology;

work organisation and industrial democracy;

the skill formation process, encompassing formal and informal training and retraining;

industrial relations structures and processes.

1.7 Of these four components related to adjustment, skill formation is the major issue. Education and training links these four components at the national, industry and enterprise level. If these linkages are ignored in the process of adjusting to change new investment will not deliver maximum productivity and the Australian economy will fall short of its potential.

1.8 The integration of industry development into the prices and incomes approach to economic management is seen as a critical factor in maximising the viability over time of the prices and incomes policies. This is particularly highlighted by the priority accorded to full employment and hence the link between the demands of a changing industry structure and the most appropriate means by which we can work towards achieving the objective of full employment.

1.9 Congress strongly supports the implementation of a comprehensive industry development policy. This must incorporate a number of key characteristics including the attainment of full employment, consultative mechanisms of a widespread nature which will play a co-ordinated and ongoing role in assisting successful economic transition and a commitment to an internationally competitive manufacturing sector as a means of achieving basic economic objectives.

Policies must address areas for growth potential and not simply be directed to sustaining declining or weakened industries. Consultation is recognised as a key factor in bringing about change in industry.

1.10 Whilst protective barriers may be reduced over time there needs to be careful consideration of any proposals for reduction during periods of high unemployment and low economic growth. These considerations must include sufficient periods of time for adjustment associated with adjustment assistance measures. In many cases protective barriers must be seen as an opportunity for development and not simply as a mechanism to reduce competitive pressures. In assessing our international competitiveness increased attention will need to be given to a range of infrastructure issues including policies relating to transport, administration of export market development,

joint ventures and increased attention to orderly marketing schemes. Governments cannot neglect their responsibilities to provide adequate infrastructure if sustained economic growth is to be achieved.

1.11 Improvements must be made to our capital base. There is a need to increase the availability of affordable finance necessary for productive investment purposes, and to ensure that such funds are directed to real rather than paper investments.

1.12 Employment training and retraining policies are part of essential labour resource planning which in turn must be integrated into the national economic planning processes.

1.13 Congress notes that women workers are concentrated in a narrow range of jobs in a small number of industries and recognises the need for the development of strategies for integrating consideration of women's employment issues into general industry policy initiatives undertaken by unions.

1.14 Congress recognises the Australian Government's policy commitment to revitalising and developing Australia's Manufacturing Sector and calls for specific initiatives to be undertaken to ensure women workers share in the increased job opportunities in manufacturing industries as a result of Government policies.

1.15 Adequate co-ordination of the ministries covering economic planning, industry and trade is essential.

## 2. PLANNING PROCESSES

2.1 Congress supports as a priority participation in planning structures that determine the way in which the national economy will generate growth on a sustained basis.

2.2 Fundamental features of this planning process are national economic planning mechanisms, the operation of tripartite industry level sectoral councils, and a National Manufacturing Council together with adequate consultation at specific industry level.

2.3 The National Industry Extension Services (NIES) with its programs designed to upgrade industry at the enterprise level provides an important opportunity for trade union input and participation.

2.4 The Australian Manufacturing Council (AMC) with its industry councils and sectoral plans also provides a similar opportunity for unions to participate within the industries they cover.

## 3. REGIONAL DEVELOPMENT

3.1 The application of effective national industry development strategies needs to take regional factors into account to maximise impact at an aggregate level.

3.2 Regional development strategies need to encompass an integration of policy and assistance mechanisms.

Regional studies of industry profiles in the region so that strategy is practical with achievable objectives.

Skill availability, and training requirements related to the industries associated with involvement of training institutes.

Research and Development requirements of NIES assistance programs.

Local trade union involvement particularly organisers and delegates.

3.3 Congress calls on Federal and State Governments to make available resources to regional Labour Councils and Trade Unions so that such organisations and their membership can participate fully in tripartite structures which aim to develop regional approaches to employment generation.

## 4. PROTECTION

4.1 Congress recognises that Australian industry is subject to change and that the pace of that change may accelerate in the future. Consistent with the shared understanding that change must occur if growth is to ensue, it is recognised that industry policy must be applied in a manner which will facilitate change while minimising the hardship associated with such change.

4.2 Reflecting this view Congress considers that changes to protection in the future must be determined within these planning mechanisms in which unions and business will play key roles.

4.3 Congress requests the Commonwealth Government to keep under review Developing Country Preferences on a country by country and product by product basis. Critical issues here include definitions of "Developing Country", whether the focus should rather be on developing industries, and the necessity for improving labour standards in countries which benefit from these preferences.

## 5. PUBLIC SECTOR RELATIONSHIPS

5.1 Congress recognises the crucial role which an effective, efficient and equitable public sector must play in supporting the broad strategy outlined in Australia Reconstructed in relation to industry policy. In particular, Congress notes that:

growth of Australian private sector development is closely related to public sector investment in infrastructure and services;

continued public sector improvements will have both a positive direct and indirect impact on employment growth;

there is no evidence to suggest that the size of the public sector inhibits private sector growth. On the contrary, the more successful European economies have been characterised by larger public sectors which play a direct interventionist role in assisting economic restructuring;

public sector investment, public sector enterprises and major community services are necessary to meet both efficiency and social goals;

economic activity in the private sectors is interdependent. Targeted and efficient public programs encourages and supports business growth and provides important services to industry as well as to the community.

The provision of infrastructure which underpins industry development and economic growth and which meets the range of community needs, is dependent on an adequate and equitable revenue base.

5.2 Congress recognises that the Public Sector has an important role in facilitating Industry Development. This should be achieved through action by government at all levels in areas such as the promotion of Australian industry through Government purchasing and through public investment in infrastructure projects which are linked to industry development.

5.3 Effective action must be taken by Governments to ensure that the government purchasing offers opportunity for active encouragement and development of new and existing industry in Australia. Action taken should ensure that reasonable preference be given to manufacturing industry in Australia. Such action should be integrated with Industry Development policy and take account of the potential of industry in Australia to operate competitively in the domestic and international markets. In part the action should include consideration of the introduction of legislation in the nature of a "Buy Australian" Act.

## 6. DUMPING

6.1 Congress requests the Federal Labour Government to take action to ensure that the Australian Customs Service properly and expeditiously validates the import prices it uses to estimate the efficiency, the international competitiveness and/or the cost of protecting the Australian primary and secondary industries. It is necessary to ensure that these import prices are fair and reasonable prices consistent with the total real cost of production, and are not contrived or dumped prices. Prompt action should be taken whenever dumping is established.

## 7. HOUSING INVESTMENT

7.1 Congress strongly supports housing investment on the grounds that:

increased housing construction will aid economic recovery through industry expansion, new jobs in building and multiplier effects in other industries, tax revenue and savings in unemployment benefits.

housing investment remains in Australia with over 70% of materials produced locally.

an increased supply of housing will reduce housing costs and address the unacceptably high number of families and individuals living in poverty because of rapidly escalating housing costs.

public housing provision is an integral component of the social wage and increased funding in real terms by federal and State governments for public housing has considerable industry, employment and social benefits.

Congress calls for the re-establishment by the Federal Government of a Housing Ministry.

## 8. MARITIME INDUSTRY

### Shipping

Congress notes the significant changes in technology, industry organisation and efficiency which are being achieved in the maritime industry and supports the early implementation of the maritime industry development package designed to improve efficiency and encourage new investment in the industry through Government incentives.

Congress rejects any attempts to introduce low wage standards through the introduction of foreign flag shipping in the Australian coastal trades.

### Stevedoring

Congress recognises the importance to Australia's export performance of an efficient and reliable stevedoring industry and endorses the Federal Government's Waterfront Strategy.

Congress emphasises the need for productivity improvements on the waterfront through consultation and agreement at the industry level. Measures should include improvements in management practices, work practices, career structures, skill levels and job security in ways supported by all