



WE CAN FIX I.R. OR LOSE JOBS

*There's no need to
go back to Work
Choices to create
more work*

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ANDERSON**

ELECTION-YEAR politics don't usually do justice to sensible discussion of industrial relations and the rules that govern unions, industrial tribunals and how employers and employees discuss wages, working conditions and forms of work.

Many Australian business people are frustrated by the laws, not because they are all bad but because many of them don't work fairly or at all, depending on where a business is in the food chain, or whether it is being picked off by overseas competitors, a union official or a disgruntled employee.

Those same business people are usually cynical about politics. Most think reform doesn't happen until recessions occur and governments are forced to act. Getting a sensible election-year discussion is a steep climb.

All that made last week's intervention by Josh Frydenberg, the member for Kooyong, an especially good start to the year. Frydenberg said that his side of politics had to do something about problems of the fair work laws. He's not wrong. They're aspiring to be the next government, no less.

The predictable self-serving

howls that workplace reform means a return to Work Choices emerged within hours. We don't yet know what the Coalition plans to do, but we do know that Tony Abbott has said Work Choices is dead, buried and cremated. What we know in the business community is that there's no need to reintroduce Work Choices or past industrial relations systems. The past is for learning from, not for copying.

Today's economy requires a modern system for current realities and projected needs.

The realities that warrant industrial relations reform are well established. Business people — both corporates and small business — have spoken out.

The government's own hand-picked review panel last year suggested 50 changes, mostly too modest, but a start.

Three reasons dominate the case for change. First, the fair work laws aren't fair. They were an overreaction to Work Choices. As many have said, including Frydenberg, the pendulum has swung too far back to centralised power. Having a safety net of rules is agreed by almost everyone in business. But rules need flexibility because the economy is not one size. Lots of businesses are in the slow lane. For them these laws are especially unfair.

Second, the fair work laws have cost jobs.

Regulation is out of kilter if it imposes costs that end up forcing businesses to not employ and, in some cases, not even to open or to move jobs overseas. That's already happened. There are now

plenty of cases where retailers, restaurants, tourist operators and even pharmacies aren't opening when customers want them because of the high cost of wages, penalty rates and other extras. The government promised new awards would not increase employer costs. But they did.

Third, the fair work laws don't allow productivity bargaining involving real trade-offs. Bargaining is just an add-on extra to all the other rules. Most workplaces are also disenfranchised from bargaining because laws require collective bargaining. Most business people speak directly to staff as the individuals they are, not as a collective herd or through a union. Less than 14 per cent of the private-sector workforce is unionised. Government promises that individual agreements could still be made haven't worked out that way in practice. The system or unions veto most of them.

If we're smart this election year, we won't swallow the scare campaign about industrial relations that portrays every business as an exploiter of workers. Instead we'll demand political leaders deal with current realities and future needs, and inspire us with a plan for prosperity. The fog of an election year and the industrial relations club can mask much, but not the realities that confront the next Australian government.

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