



THE WEEKEND AUSTRALIAN

Failure to win needed IR reforms was a team effort

A golden opportunity was wasted, and the nation will be poorer for it

“Disunity is death” is one of the great truisms of politics. With this in mind it is fair to say the Morrison government’s aborted plans to reform the nation’s enterprise-sapping industrial relations laws never stood a chance. Scott Morrison and Christian Porter, then IR minister, billed their reform push as a consensus-driven show of national unity in the face of a pandemic. There were several months of meetings involving the government, the ACTU and employer groups. But, as Ewin Hannan reports on Saturday, any hopes of consensus were sunk from the outset.

Hannan’s reporting of the inside story behind the collapse of the Morrison government’s IR push exposes deep frictions between major employer organisations. The split is most evident between the Business Council of Australia, which represents the nation’s major companies, and a raft of smaller employer and industry groups. A coalition of smaller groups threw down the gauntlet and threatened to campaign against the federal government on industrial relations unless it toughened its stand. Four associations — the Australian Industry Group, the Australian Chamber of Commerce and Industry, Master Builders Australia and the Australian Mines and Metals Association — launched a lobbying campaign of ministers and backbenchers after Mr Porter presented a proposal by the BCA and the ACTU to rewrite the enterprise bargaining laws to a confidential meeting of employers and unions.

Despite the Prime Minister urging employers and unions to “put their weapons down” and strive for a consensus, next to no progress was made during four months of secret talks. Employers refused to agree to principles proposed by the government for the working groups, including that no

worker should be left worse off as a result of the IR changes. The style of talks set employer groups against each other and left the government with a plan that had few supporters and eventually was stripped to bare essentials with key reforms abandoned. Mr Porter, the architect of the legislation, was on mental health leave when it limped to an unsatisfactory conclusion in parliament.

While it may be true that success has many fathers and failure is an orphan, the squandering of an opportunity to harness the pandemic to bring worthwhile change to

the workplace certainly was a team effort. As Hannan writes, while the Senate crossbench was blamed by the Coalition for the gutting of the workplace relations bill, the government’s inability to capitalise on a once-in-a-generation pandemic and forge agreement in the working groups beyond its hardcore employer constituency made last month’s parliamentary result almost inevitable. Rather than bring the parties together, the process overseen by Mr Porter has deepened the ideological divide between labour and capital. Employer groups now mistrust each other, and the hand of government has been weakened. The winners have been trade unions and the ALP, which can claim to have defeated reforms and protected workers from change.

A key division in negotiations was a decision by the BCA to talk directly with the ACTU without telling other employer groups, despite being in strategy meetings with them. The ideological disagreement was over an understanding that no employee would end up worse off as a result of the IR changes. The ACTU and BCA were happy to negotiate on this basis but other industry groups were furious. The legislation taken to parliament fudged the issue, but watering down even mildly the “better off



overall” test became an albatross around the government’s neck and was quickly dropped by Mr Porter. In the end, the only changes that made it through involved giving new rights to casual workers to apply for permanency, and safeguards for employers against double dipping by casuals who had already been paid a loading for sick pay and other benefits.

Given the history of how union-led opposition to Work Choices defeated the Howard government, the Morrison team should have worked much harder to build consensus. The BCA was acknowledging reality in accepting a principle that workers should not be left worse off as a result of the changes. The Howard government ultimately was forced to capitulate this point with amendments to Work Choices to include a “no disadvantage” test. But it acted too late. On IR, the Morrison government has failed the reform test, which needed a much greater level of public engagement to sell the economy-wide benefits of what was being proposed. In the end, employer groups have no one to blame but themselves. A golden opportunity has been squandered, and the nation will be poorer as a result.