Changing employment relations: An international perspective on industrial relations and human resources in Australia, including the 1998 docks dispute

by

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Abstract
This paper reviews the dramatic changes in employment relations in Australia in the context of increasing globalisation since the 1980s. It analyses the moves from centralised industrial relations (IR) awards towards more decentralised enterprise bargaining. It also discusses the recent major industrial dispute on the Australian docks, which included international as well as national implications.

IR reform has remained a key item on the agenda of the Australian Labor Party (ALP) and the conservative Liberal-National Party Coalition federal governments in Australia since the early 1980s. Governments from both perspectives have proclaimed the need to achieve greater labour market flexibility but have differed over the means by which this should be achieved.

The past decade of institutional reform in Australian IR has been a 'drama in four acts' as the central role of the Australian Industrial Relations Commission (AIRC), which was strengthened during a brief period of 'centralism' (1983-86), was displaced by a period of 'managed decentralism' (1987-90), followed by 'coordinated flexibility' (1991-96), and the current phase of 'fragmented flexibility' (since 1997). During this time, the roles of the AIRC and state equivalents have been considerably diminished. Employers have generally supported such reforms, however, union leaders and others have opposed moves to undermine the collective basis of labour-management relations, on the basis that the kinds of flexibility being introduced leave many workers unprotected and in a weaker bargaining position with employers.

The post-1983 ALP government established an Accord (an agreement on wages and other matters) between the ALP and the Australian Council of Trade Unions (ACTU). During this period, the ALP government argued that the breakdown of the centralised wage system under the previous conservative coalition government (1975-83) had exacerbated wage and price inflation. It held that a centralised IR system facilitated the enforcement of incomes policies and thereby helped to contain levels of unemployment and inflation. However, following macroeconomic problems in the mid-1980s, the Hawke ALP government abandoned its centralised approach and adopted a policy of managed decentralism. The AIRC retained an important role setting the framework for enterprise bargaining between unions and employers. In 1988 the AIRC encouraged the parties to reach agreements on the introduction of multiskilling and a reduction of demarcation barriers. This period ushered in more labour market flexibility while retaining the broad institutional framework.

Although the AIRC's role was strengthened during the early years (1983-86) of the Hawke ALP government, its powers were eroded under the Keating ALP government (1993-96) and have been considerably diminished since the Howard Coalition government was elected in 1996. Critics argue that the AIRC and other traditional IR institutions are anachronistic and have failed to keep up with increasing competition and changes in the nature of work, which require a more deregulated environment. Others, however, regard the diminution of the AIRC's powers as undermining the role of the independent third party between labour and capital. From an international perspective, one of the most interesting aspects of Australian IR has been the recent transition from a centralised system, based on compulsory arbitration, to a more decentralised approach of bargaining at the enterprise level.

The seeds of co-ordinated flexibility were sown in early 1990 amid continuing economic uncertainty and a campaign by conservative opposition parties for enterprise-based bargaining. The government, employers and unions argued before the AIRC that 'enterprise bargaining' should become the main process for achieving wage increases. While initially hesitant, the AIRC endorsed a more decentralised approach in October 1991. Under pressure from employers, the government introduced further legal amendments that widened opportunities for

employers to opt out of the traditional award system. However, the AIRC continued to administer a national 'safety net' of minimum wages and conditions for low paid workers by updating awards and conditions. In 1993, the ALP government introduced further legal reforms to promote enterprise bargaining. These facilitated employers making agreements with their employees without involving unions. Hence, the period from 1991 to 1996 was one of transition towards more individualised forms of IR.

The election of the coalition government in 1996 signalled the introduction of fragmented flexibility and sought to move the Australian IR system further towards a more fragmented and flexible system of individual bargaining. It encouraged employers to enter into either a non-union agreement or an individual contract with their employees. However, collective 'awards' still remain the most important means by which employment matters are regulated in Australia, with many employers proving reluctant to move too far away from awards and collective agreements.

Other changes affecting the centralised system of IR include the dramatic growth in non-standard employment in Australia during the past decade (i.e. jobs that deviate in some way from the model of continuing, full-time waged work). The proportion of the Australian workforce employed on a full-time basis has been in decline since the 1980s across all industries and Australia has one of the highest levels of temporary employment in the OECD. The erosion of IR institutions is likely to exacerbate the trend towards more precarious forms of employment.

Labour market reform itself does not yet appear to have achieved the significant increases in productivity which many of its proponents had forecast. Many of the changes to working time and organisational restructuring, however, have been initiated by management without consultation or negotiation with the workforce or their unions. As a result, there has been a move towards a lower degree of trust between workers and management. Recent enterprise agreements reveal few examples of innovative provisions designed to achieve higher productivity through collaborative approaches to change. The challenge for managers, therefore, is to find ways to encourage employees to cooperate with a system that has failed to deliver improvements in the quality of worklife. For governments, the challenge is to develop a policy framework that will achieve efficiency and equity for the workforce and employers.

After the election of the conservative federal government in 1996, the first major dispute was on the docks. With government support, the employer, Patrick, attempted to break the union labour monopoly on the waterfront. It withdrew financial support from its subsidiary labour hire companies and laid-off its 1400 dockworkers. The federal ALP opposition supported the dockworkers and held that Patrick was trying to smash union power and generate an issue to help the conservative government win the impending federal election. A feature of this dispute has been the greater use of the courts then has usually been the case hitherto. This may in part reflect the long history of compulsory arbitration in Australia and the parties' lack of experience in settling disputes autonomously.

Introduction

Industrial relations (IR) reform has remained a key item on the agenda of the Labor and Liberal-National Party Conservative Coalition federal governments of Australia since the mid-1980s. These governments have each proclaimed the need to achieve greater labour market flexibility but have differed over the means by which this should be achieved. Central to the debates has been the role of the Australian Industrial Relations Commission (AIRC). Its predecessor began as an independent tribunal at the beginning of the twentieth century and has been responsible, under the Australian constitution, for the prevention and settlement of industrial disputes that extend beyond the borders of a single state.

Although the AIRC's role was strengthened during the early years (1983-86) of the Hawke Labor government, its powers were eroded under the Keating Labor government (1993-96) and have been considerably diminished since the Howard Coalition government was elected in 1996. Thus the past decade of institutional reform in Australian IR has witnessed a 'drama in four acts' as the long established system of centralised wage determination, through the AIRC, has been displaced by a period of 'managed decentralism' (1987-90), followed by 'coordinated flexibility' (1991-96), and the current phase of 'fragmented flexibility' (after 1996). During this time, the roles of the AIRC and state tribunals have been considerably diminished.

Employers have generally supported reforms but some have argued that the reforms of governments, at the federal level, have not gone far enough in dismantling the old system. Union leaders and others have opposed reforms which have undermined the collective basis of labour-management relations and promoted individualisation of the employment relationship. The kinds of flexibility which are being introduced by the most recent reforms, it is argued, leave many workers unprotected and in a weaker bargaining position with employers. Yet, over the past decade, Labor and Coalition governments have contributed to the gradual dismantling of the institutional structure of IR in Australia.

Figure 1. A Chronology: The Australian Political and Industrial Context

1983-93

Labor government (Prime Minister Bob Hawke) moved towards 'managed decentralism' after 1987.

1993-96

Labor government (Prime Minister Paul Keating) accelerated moves to 'coordinated flexibility'.

1996-

Conservative coalition government (Prime Minister John Howard) moved to 'fragmented flexibility'.

Source: The authors

Critics argue that the AIRC and other traditional IR institutions have become anachronistic and have failed to keep up with changes in the nature of work, which require a more deregulated environment. Others, however, regard the diminution of the AIRC's powers as undermining the role of the independent third party between labour and capital, as well as leaving weaker members of the labour market less protected. While increased efficiency and productivity may be worthy national goals, the AIRC is still regarded by many people as playing an important role in trying to ensure that equity considerations are taken into account.

A transition to managed decentralism

From an international perspective, one of the most interesting aspects of Australian IR has been the transition from a centralised system, based on compulsory arbitration administered by the AIRC and state tribunals (in a context of tariff protection), to a more decentralised approach of bargaining at the enterprise level. During the first three years of the Hawke Labor government, there was a brief return to centralised wage determination as part of the initial Accord (an agreement on wages and other matters) between the Australian Labor Party (ALP) and the Australian Council of Trade Union (ACTU). Indeed, it was argued by the Hawke government, during this period, that the breakdown of the centralised wage system during the previous Liberal-National Party coalition government (1975-83) had exacerbated economic problems. The Hawke government wanted to avoid the possibility of a renewed wage/price spiral which had characterised earlier periods of more decentralised bargaining. Furthermore, that government commissioned a review of the IR system, chaired by Professor Keith Hancock. The Hancock Report recommended the retention and consolidation of the centralised system, with the continuation of a major role played by the AIRC. This was on the grounds that a centralised system facilitated the enforcement of incomes policies and thereby helped to contain unemployment and inflation.

However, following a balance of payment crisis and other economic problems in the mid-1980s, the Hawke Labor government abandoned its centralised approach and adopted a policy of managed decentralism. Full wage indexation was abandoned in 1986 and a two-tier wage system was introduced which took account of productivity increases at the industry and enterprise levels, but maintained also a system of national wage adjustments. The AIRC retained an important role whereby the National Wage Cases set the framework for enterprise bargaining between unions and employers. The 1988 National Wage Case Decision by the AIRC, established a 'structural efficiency principle' designed to encourage the parties to reach collective agreements on the introduction of multiskilling, broad-based work classifications and a reduction of demarcation barriers. This period ushered in more labour market flexibility while retaining the broad institutional framework.

Trends towards greater flexibility

The seeds of coordinated flexibility were sown in early 1990 when the Labor government, employers and unions all argued before the AIRC in the National Wage Case that 'enterprise bargaining' should become the main process for achieving wage increases. The change of policy by the government and the unions (which had both previously resisted pressure from employers for such reforms) came amid continuing economic uncertainty and a campaign by opposition (conservative) parties for enterprise-based bargaining. Although the AIRC initially rejected calls for enterprise bargaining, on the grounds that the various parties had different (and contradictory) views on what a new system would involve, the AIRC endorsed a more decentralised approach in October 1991. The AIRC retained the capacity to scrutinise agreements to ensure that they met 'public interest' criteria. Under pressure from employers, who complained that it was still too difficult to achieve enterprise agreements under this system, the government introduced further amendments to the Industrial Relations Act which reduced the power of the AIRC to veto agreements and widened opportunities for employers to opt out of the traditional award system. However, the AIRC continued to administer a national 'safety net' of minimum wages and conditions for lowest paid workers by updating awards and conditions and conducting National Wage Case hearings.

After its surprise re-election victory in March 1993, the Labor government (then led by Paul Keating) introduced further legal reforms to extend enterprise bargaining with the Industrial Relations Reform Act 1993. Although parts of the

Act were based on ILO conventions and recommendations, which strengthened employment protection and granted a wider range of minimum entitlements, it also included provisions which facilitated employers making agreements with their employees without involving unions. Soon after his electoral victory, Prime Minister Keating argued that 'we need to find a way of extending the coverage of agreements to being full substitutes for awards'.

The Enterprise Flexibility Agreements (EFAs), introduced under the 1993 Reform Act, did not require an eligible union to be involved. Unions opposed EFAs on the grounds that they encouraged employers who wished to avoid unions and facilitated a move towards enterprise regimes based on individual contracts of employment. Such fears were realised in a major dispute during 1995 between a large mining company, Rio Tinto (formerly CRA) and unions at Weipa in the remote north of Australia. This set the pattern for further disputes in the mining and maritime industries during the 1990s which were designed to break unions' bargaining strength by persuading workers to accept individual contracts. Hence, the period from 1991 to 1996 was one of transition towards more individualised forms of IR, as some employers sought to take full advantage of the more flexible bargaining arrangements which were permitted under the new legislation, and the AIRC found its role significantly diminished.

The most recent phase of IR reform, which we call fragmented flexibility, began with the election of the Liberal-National Party coalition government, led by John Howard, in 1996. The Workplace Relations Act 1996 signalled a more radical decentralisation of IR to the enterprise level, with broader scope for non-union agreements and further diminution in the role of the AIRC. However, amendments to the legislation by a minority party, the Australian Democrats, which held the balance of power in the Senate, softened some provisions in the Act.

While not going as far as New Zealand's Employment Contracts Act 1991, which dismantled that country's arbitration system, the Howard government nevertheless sought to move the Australian system further away from its traditional collectivist approach, in which there was a strong role for unions and the AIRC, towards a more fragmented and flexible system of individual bargaining between employees and employers. A key element of the 1996 Act, embodied in the new Australian Workplace Agreements (AWAs), seeks to enable (and encourage) employers to enter into either a non-union agreement or an individual contract with their employees. While AWAs have so far played only a minor role in regulating wages and conditions, and are unlikely to become the main form of agreement between employers and employees, they are part of a broader trend towards a more individualised and flexible approach to labour market arrangements.

The erosion of labour market institutions

Under the Workplace Relations Act 1996, the role of the AIRC has undergone further significant change, though it still remains a key labour market institution. Hitherto awards could regulate an unlimited number of matters, more or less, connected with the employment relationship. After the 1996 Act was implemented the AIRC's award determinations were restricted to a list of 'twenty allowable matters', although it could still arbitrate on other 'exceptional matters'. Awards still remain the most important means by which employment matters are regulated in the Australian labour market. Currently, approximately 35 per cent of all employees have their wages and conditions entirely regulated by awards, while 30 per cent of employees rely on a mixture of awards and agreements. Another 30 per cent of the labour force have their wages and conditions determined by individual contracts. The vast majority of agreements, however, are certified by the AIRC and entail formal union involvement. Furthermore, most agreements concern additions to awards rather than being comprehensive stand-alone contracts.

Hence, while there has continued to be a trend towards enterprise bargaining, this has not led to a total abandonment of awards or the elimination of AIRC. Employers, in general, have been loath to move too far away from the traditional system of awards and collective agreements. Recent analysis by Reserve Bank of Australia researchers has questioned assumptions behind some of the arguments put forward for enterprise bargaining (that the centralised system afforded insufficient flexibility to achieve economic efficiency). Furthermore, despite constant assertions by its supporters, that enterprise bargaining would bring about significant improvements in productivity through greater flexibility and workplace focus, these arguments have not generally been borne out by experience. There appears to be only tenuous evidence of a direct relationship between labour flexibility, employment relations and productivity.

While it would be premature to announce that the current phase of fragmented flexibility spells the end of institutionalised IR in Australia, there are signs that the traditional collectivist approach to IR is in decline. From the 1920s to the late 1980s, unions negotiated with employers to determine awards and agreements, which covered up to 85 per cent of the workforce. This has declined to approximately 65 per cent and appears to be falling. Union coverage of the workforce has also suffered a steep decline from the 1970s level of 51 per cent of all employees (56 percent males; 43 per cent females). By the late 1990s this had fallen to 31 per cent (34 per cent males; 28 per cent females). The sharp fall has triggered a vigorous debate within the union movement. Contributing factors include the relative decline of employment in manufacturing (a former bastion for unions) and strong growth in the more lightly unionised services sector (comprising 72 per cent of the workforce). There has also been significant growth in part-time and casual employment, and the number of women employees, categories that are usually poorly unionised. However, the diminishing role of the AIRC and state tribunals has also had a negative impact on union coverage. Unionism at the workplace level in most industries has been generally weak and, in the past, many unions had relied on the arbitration system rather than on collective bargaining to achieve their objectives.

The 1998 waterfront dispute

After the election of the Howard conservative coalition government in 1996, one of the first major disputes was on the docks. As is often the case, there were several related issues and perspectives. This dispute also had significant national and international implications. There had previously been major disputes in the USA, UK and New Zealand and elsewhere as attempts were made to reform their docks. We can illustrate the complexities of and conflicting interests involved in such a dispute by summarising some aspects. To simplify, let us broadly categorise the key players as being associated either with the employers' or the employees' interests, but of course there were differences within each of these broad groups.

Employers

In brief, an employers' perspective was that the wharf labourers (known as longshoremen in the United States) were overpaid and that their union enjoyed a monopoly of labour supply on the waterfront. Moreover, that the union fostered restrictive practices ('rorts') and low productivity on the Australian docks, which were not competitive with the docks in other countries and thereby increased the prices paid by Australian consumers. It was further argued that previous governments and employers had tried to improve the performance of Australian docks by negotiation but that these attempts had failed.

Patrick Stevedores was one of the two main Australian stevedores with about 45 per cent of the market (the other was the UK firm P&O with about 50 per cent). After a series of battles with the union during the previous months, on 7 April 1998, Patrick decided to 'attack' its employees and their union by restructuring (liquidating), appointing an administrator and withdrawing financial support

from four subsidiary labour hire companies. (In US terms, this was similar to using 'chapter 11'-type provisions.)

Patrick thereby sought to avoid responsibility for its debts and to make its 1400 wharf labourers redundant during the night. Most wharf labourers learned of the decision by phone or the news media, while those at work were marched off the site by security guards with dogs. Nine new companies were contracted to replace the former wharf labourers with non-union labour ('scabs' in the union lexicon). During the subsequent Easter holiday period a few ships were unloaded in key Australian ports by non-union labour for the first time for 50 years.

The Australian government immediately announced a levy on the movement of containers and vehicles at the docks to support a A250 million scheme to fund the waterfront redundancies, on the condition that jobs be open to non-union labour. The government had been encouraging Patrick to take a strong line against the wharf labourers (which it called lazy 'bludgers') and their union (which it branded as being associated with its main political opponent, the ALP).

The National Farmers Federation (NFF) a tough employers' association had long been one of the leading opponents of what it saw as old-fashioned militant Australian unionism. It had also been encouraging Patrick to take a strong line against the wharf labourers and their union. P&C Stevedores was a new company that the NFF formed, with a specially trained workforce ready to replace the former wharf labourers.

Employees

From the employees' perspective, it was argued that the wharf labourers were not overpaid in view of their difficult and unsociable working hours and conditions. Productivity had been increased in recent years but was inevitably still lower on the waterfront in Australia than some overseas ports because in Australia there was a proliferation of relatively small docks, which had outdated equipment. They also held that Patrick was trying to increase its share price and the personal wealth of its chairman. Also that capital was trying to smash union power and to generate an issue to help the Howard government win the next federal election due within the next year. Some argued that the Minister for Workplace Relations was leading this campaign to bolster his own prospects of becoming the next leader of the Liberal Party.

The main union was the Maritime Union of Australia (MUA). To counter a legacy of casual and insecure work on the docks, the MUA and its predecessors had long maintained a closed shop (100 per cent membership) among wharf labourers. It was described by one of Australia's national newspapers as 'the toughest union in the country' (Australian Financial Review, April 11, 1998).

The MUA was affiliated to the ACTU, which also represented most other Australian unions. The ACTU was in a difficult position. On the one hand it was inclined to support its affiliate, the MUA. On the other hand, it was cautious about calling for wider strike action or a national strike which might result in substantial financial damages being awarded against the ACTU and other unions. Hence the support tended to be at the level of demonstrations, legal and financial support, and support by statements to the media.

Under the government's secondary boycott laws that it had reintroduced under the Workplace Relations Act 1996, any secondary industrial action could render those involved liable to large penalties, which could bankrupt them. The MUA was also affiliated to the International Transport Federation (ITF). From its head office in London the ITF was undertaking to mobilise other waterfront, transport and seafarers' unions around the world in an attempt to put pressure on Patrick and the Australian government. From the MUA's perspective, one advantage of invoking such international support was that it would be more difficult for its

opponents to take legal action against those participating in secondary boycotts overseas than those in Australia. Nevertheless in the UK the Australian government won a temporary injunction against the ITF, which hampered it from leading secondary boycotts to support the MUA, but would not necessarily prevent all such boycotts. Soon the ITF succeeded in winning a legal challenge so that the injunction was lifted.

The ALP was also in a difficult position; the MUA had long been a strong supporter of the ALP; therefore the ALP was inclined to support the MUA in its hour of need. However the ALP was also concerned about its electoral prospects; opinion polls suggested that, in view of their image as being overpaid and lazy, the wharf labourers' cause was not always a popular one.

Third Parties

Australian industrial and business lawyers were very busy in this dispute as each of the parties initiated legal action in various jurisdictions. There was high drama as one side appeared to be winning a legal battle, then another appeared to be more successful. Along with the parties, legal experts (and IR academics) were called frequently to give their views to the media.

Such disputes attract a great deal of attention in the mass media; there are usually photo opportunities, lots of conflicting and colourful quotes from the various perspectives and sometimes violence. Even though the announcement of these dismissals coincided with other big news stories including the last stage of peace settlement negotiations in Northern Ireland, on 9 April The Australian newspaper devoted its entire front page and several other full pages to this dispute. (This is a reminder that conflict is more newsworthy then peace.)

In Australia (and to some extent even in other countries too) in print and the electronic media there was much coverage of various details of the dispute, possible repercussions and of 'human interest' implications, for instance, how do the families of sacked wharf labourers cope? To a lesser extent the media also ran some coverage of the experiences of the new non-union workers on the Australian docks? To generalise, leader-writers and apparently independent commentators tended to argue that, first, it was necessary to reform work practices on the waterfront, but that, second, to achieve this end it was neither necessary nor appropriate for Patrick to dismiss all its employees so harshly in the night. One extraordinary aspect of the dispute was the conspicuous absence of the AIRC, the traditional conciliator of Australian industrial disputes. The Workplace Relations Act 1996 had the impact of removing it from the action. A further question raised by the dispute was to what extent was it an echo of past poor IR or was it a taste of things to come? Would there be more hard-fought strikes ahead, following a stereotypical American style union-busting model, rather than a more typical Australian style of most large employers accommodating unionism?

The Settlement

The dispute was settled at the end of June after direct negotiations between representatives of Patrick and the union, with both sides claiming that they had achieved most of their objectives. However, the employers and the government failed to subdue the union and open up the waterfront to non-union labour. Yet the MUA did not succeed in getting all of its members re-employed by Patrick, although those who left were promised generous redundancy payments. Nevertheless, at the end of a bitter dispute, it was remarkable that a negotiated settlement was achieved without the intervention of a third party. One of the key items in the settlement was that both sides agreed to drop legal action against each other. This is of particular concern to Patrick as its parent company, Lang Corporation, announced a $A26 million half year loss, due largely to the dispute.

The broad terms of the settlement were that the MUA would retain exclusive coverage of all core stevedoring work on the waterfront, despite the fact that the 'closed shop' is illegal under the federal government's Workplace Relations Act. However, the union agreed to significant reductions in the workforce and to various reforms in the way work is performed. Patrick would be permitted to reduce its current workforce of 1,400 by about 600. Up to 200 of these jobs, mainly in the areas of maintenance, cleaning and security, would be contracted out to labour hire firms. But the redundant workers would have preference in employment with the contractors. Furthermore, the new contractors would be engaged on the basis that they recognise the MUA's rights to represent workers and to apply existing collective agreements and awards. The non-unionised workers who were contracted by Patrick to replace MUA members were terminated and the farmers'-sponsored stevedoring company was wound up.

Patrick also agreed to pay wages lost by the MUA members during the period they were locked out. It also agreed to pay wage increases of 12 per cent over three years together with improved superannuation entitlements.

Nevertheless, Patrick has been able to point to concessions made by the MUA. Of greatest significance is the union's offer not to proceed with legal action for damages due to conspiracy by the employer and the government. Changes in work practices designed to increase productivity to 25 container crane movements per hour were also accepted by the union. (However workers would be eligible for bonuses once productivity passed 16 per hour.) These changes include reductions in the numbers of crane workers and greater rights for managers to allocate workers to particular tasks, jobs and new rosters. Radical changes to pay systems would include the replacement of existing base wages plus overtime arrangements with annualised salaries and variable productivity-linked payments. The reforms achieved by Patrick would place considerable pressure on their competitor, P&O, to match the efficiency gains in their negotiations with the union.

The government was put in a difficult position by the outcomes of the dispute. It had sought to break the union's de-facto monopoly coverage of the waterfront and made this a condition of Patrick gaining access to a proposed $A250 million loan to fund the stevedoring redundancies. This proposal did not prove to be popular among employers as it was to be recouped from Patrick and other stevedores via a handling levy. The government also came under pressure within parliament and in the media over its partisan role throughout the dispute.

Having lost several key legal cases in the courts to the union, the government faced the prospect of a damaging conspiracy case brought by the union during the lead-up to a federal election. It became imperative that a settlement be reached between Patrick and the union which would avoid the conspiracy case proceeding to court. Not surprisingly, the government subsequently sought to highlight the improvements in work practices expected to flow from the agreement and even indicated that Patrick may still qualify for access to loans to help fund the redundancy payments.

Future Directions

There have been other changes in the nature of work and employment which point to a longer-term shift away from the formally more regulated and centralised system of IR. In common with many other Organisation of Economic Co-operation and Development (OECD) countries, there has been a dramatic growth in non-standard employment in Australia during the past decade. Non-standard employment includes jobs that deviate in some way from the model of continuing, full-time waged work. The proportion of the Australian workforce who are employed on a full-time permanent basis has been in decline since the 1980s across all industries. Conversely, there has been an absolute and relative increase in the non-standard workforce, now estimated to comprise almost 45 per

cent of all employees. Australia has one of the highest levels of temporary employment in the OECD, due mainly to the proportion of the workforce in casual employment, which currently accounts for approximately 25 per cent of the workforce.

However, some studies have questioned whether the use of casual employment will continue to expand. Survey evidence suggests that the adoption of casual labour by employers is largely dependent on labour market and product market characteristics. Hence, employers are more likely to adopt casual labour in situations where there is greater fluctuation in product demand. However, many employers also report disadvantages associated with casual employment including an absence of enterprise-specific skills, lack of commitment to the firm and the extra administrative burdens associated with casualisation of the workforce.

It would appear that the process of labour market deregulation and the decentralisation of collective bargaining has facilitated the growth of non-standard employment. Most of the growth of non-standard employment has been in the category of casual employment and these workers do not have access to the employment protections associated with full-time standard employment. In particular, the rights of employment security do not apply to casual employees. The provisions of the Workplace Relations Act 1996, which limit the scope of award regulation and encourage further decentralisation of bargaining, may further enhance the precariousness of non-standard employment. The erosion of IR institutions is likely to exacerbate the trend towards more precarious forms of employment and the deinstitutionalisation of Australian IR.

IR reform in Australia during the past decade has resulted in a more diverse array of workplace arrangements, with a greater emphasis on more decentralised, less regulated and an enterprise-based system of labour-management relations. Yet labour market reform itself does not yet appear to have achieved the significant increases in productivity which many of its proponents had forecast. It has been shown that improvements in workplace productivity tend to be related more to the degree of collaboration between management and the workforce than to the structure of bargaining.

Many of the changes to working time and organisational restructuring, however, have been initiated by management without consultation or negotiation with the workforce or their unions. As a result, there has been a move towards a lower degree of trust between workers and management. Analyses of recent enterprise agreements reveal few examples of innovative provisions designed to achieve higher productivity through collaborative approaches to change. The challenge for managers, therefore, is to find ways to encourage employees to cooperate with a system which has failed to deliver improvements in the quality of worklife. For governments, the challenge is to develop a policy framework which will achieve efficiency and equity for the workforce and employers. In achieving such a goal, a revitalised AIRC may be able to play an important role. While it is unlikely that Australia will return to a highly centralised system, a more coordinated approach which encourages greater flexibility within an agreed institutional framework may have considerable appeal.

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Further reading

In view of space constraints this paper focuses on the Australian federal jurisdiction. Deery, Plowman and Walsh (1997) probably is the most established textbook, while Moorehead et al. (1997) provides the most comprehensive set of data on Australian IR. Textbooks that have a slightly more practical orientation include: Fox, Howard and Pittard (1995), and Sappey and Winter (1992). The federal Department of Workplace Relations and Small Business publishes leaflets on various aspects of the federal jurisdiction and also provides information on its web page (http://www.dwrsb.gov.au/). Most of the State equivalents also publish leaflets. Bamber and Lansbury (1998) includes chapters on IR in Australia, Britain, the USA, Canada, France, Italy, Germany, Sweden, Japan and Korea. It also includes international and comparative data on these countries, including various labour market and more general statistics. Although it refers primarily to Britain, Hyman (1989) is a useful analysis of industrial conflict. For an analysis of the differing labour laws in the USA, New Zealand and each Australian state, see Nolan (1998).

Biographical notes

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The new edition of the authors' book: International & Comparative Employment Relations: A Study of Industrialised Market Economies, has just been released by the following publishers:

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'Awards are legally enforceable documents, which contain the terms an conditions of a firm or industry. They prescribe minimum enforceable wage rates and other employment conditions and often include procedures for grievance handling.' (Sutcliffe and Callus, 1994:17)

For a more extended review see, 'Employment relations in Australia' in G.J Bamber and R.D.Lansbury (eds) International and Comparative Employment Relations: A Study of Industrialised Market Economies (Davis and Lansbury 1998).

See Changes at Work: The 1995 Australian Workplace Industrial Relations Surve (Moorehead et al. 1997).

See 'Flexibility versus collective bargaining? Patterns of Australia industrial relations reforms during the 1980s and 1990s' Working Paper No 49 (Wailes and Lansbury 1997).

See ABS (Australian Bureau of Statistics) (1997

Secondary boycotts are traditional union sanctions that try to embargo good or services provided by another party. Around the world such boycotts have long been used to bring pressure on an employer by getting the employees of another enterprise to support them, for example, by refusing to take delivery from, or supply to the employer in question (cf. Sutcliffe and Callus 1994).

Note the exchange rate as of 26 June 1998; $A 1.00 = $US 0.61

For a study of changes in six industries see Changing Employment Relations i Australia (Kitay and Lansbury 1997)

See 'Workplace productivity and joint consultation' in E.M. Davis and R.D Lansbury (eds) Working Together: Consultation and Participation in the Workplace (Alexander and Green 1996)

See 'Over ten years of (formalised) decentralised bargaining in Australia Agreements Data Base and Monitor No 16, March 1998 (Sydney: Australian Centre for Industrial Relations Research and Training, University of Sydney 1998)