The centrepiece of union strategy for the last seven years has been the Accord. More recently, the cutting edge of union innovation has been in the field of award restructuring. Now, however, both projects lie in the balance. Accord Mark VI, according to its critics, leads unions too far down the path of the business agenda. And award restructuring, it is argued, has been mired by the push for ‘micro-reform’. In our special feature on the union movement’s crisis of direction, Clare Curran talks to award restructuring architect Chris Lloyd, while Peter Ewer, Meredith Burgmann and Susan Gray debate the movement’s controversial advocacy of enterprise bargaining.
The Accord has become irrelevant and should be abandoned. Award restructuring is in grave danger of faltering, with government and employers intent only on quick-fix solutions. Clare Curran talked to Chris Lloyd, a key player in the development of the restructuring model for Australian industry. His views on these and other questions make startling, and often pessimistic, reading.

Chris Lloyd is a national research officer for the Amalgamated Metal Workers Union (AMWU). He has worked with the Metal Trades Federation of Unions (MTFU) since 1985. He has been primarily responsible for the development over the last three years of the metal industry award restructuring model. He spent 10 years in the Communist Party of Australia. Although he is currently not a member of a political party he has a close interest in political developments on the Left.

On March 20 this year, just four days before a federal election, the metal industry award was settled. The agreement was reached not only on the eve of an election, but also as the metal unions were poised to go out in support of claims which, for months, had been the subject of hard negotiation. One of those claims, the right to training in work time, had been fought for tooth and nail from the beginning. The end result, achieved at a time when the unions held a strong bargaining position, astonished and angered many unionists.

What was hammered out behind closed doors certainly averted a national strike by the most powerful union just days before a crucial election. So was it a political deal to protect the chances of a fourth Labor term? And if there was a deal for the sake of a Labor victory, will the government back it up with dollars as well as words? Will the metal industry award provide the crucial blueprint to reconstruct the nation’s ailing industry base?

Did the metal unions achieve what they wanted with the metal industry award?

It’s true the result wasn’t exactly what was claimed for, but as is the case in all industrial relations environments, the metal industry was never going to get everything it was after.

Was the award settlement a setback for training in the industry?

The main limitations of the award agreement is that there still needs to be an enormous commitment by government and employers to training. That means taking training committees seriously, taking consultative committees seriously. But, unfortunately, the culture of industry is not up to that.

What are the main problems facing award restructuring now that the award is settled?

It’s a problem of resources. There’s a lack of national commitment by the government, the unions and the employers to inject cash into the training system, actually to train the thousands of process workers who make Kambrook Kettles, Ford Falcons, and Email Refrigerators, to understand quality concepts or to do minor or even major engineering tasks.

Would you agree that the reason for that lack of commitment among employers is because there is no provision in the award to train their employees?

But it’s not true to say we got nothing out of them. What we got is what we’ve always had in this industry, the right to go out and achieve a result on a plant-by-plant basis. The limitation of that is obvious. In our strong shops we will achieve it, but in our weak shops we won’t. I’m not going to pretend that’s what we were supposed to get and what our membership desired. We were explicitly told paid training leave was on the agenda.

But Chris Lloyd maintains the final metal industry deal and the way it was settled is not the real concern. “The dangers of award restructuring in all industries is that flexibility will become the main agenda. And the employers will duck the training skills argument because it costs and they’re not ideologically up to understanding its purpose.”

What do you mean when you talk about enterprise flexibility?
Specifically it means working 12-hour shifts, no penalty rates, and flexibility in annual leave. Generally it means much more than that. It is the argument about enterprise bargaining. It is a compromise that has been forced on the trade union movement where there has to be a flexibility at enterprise level on everything. It doesn’t matter whether it’s the hours of work, the amount of training, or the number of skills you hold.

That sounds like the NSW model.

It is. But the point really is that there’s a lack of commitment to the process by government and by the employers. I accept that some employers are committed to the concepts behind award restructuring...increased training, increased skills. But the problem is the bulk of their membership and the federal government is now convinced that it has to get a quick fix solution to Australia’s micro-reform problems. We just don’t have the power in an environment where BHP and CRA are kings in the exporting game. The government will always be thinking “Well, what’s a quick way around the problem. Let’s make them work harder and faster”. That’s enterprise bargaining. Cut workers’ ability in weaker shops to be helped by a centralised negotiating process. But if we don’t make investment today in the skills of labour for export products, we are finished, literally finished as a manufacturing nation.

Despite his gloomy predictions, Lloyd does point out that historically the metal unions react well to adversity by going out and achieving results in plant by plant campaigns. 

“There are also employers out there in large plants who are committed to the process. But without government and employers’ commitment, once again it’s up to us to convince the worker to pick up the ball that’s been dropped by capital and by governments over the last 20 years.”

But is the membership willing to pick up the ball yet again? Isn’t there an increasing problem emerging with workers becoming disenchanted, disaffected from industry change?

For nearly eight years of the Accord a whole generation of workers has achieved wage increases from a highly centralised process that doesn’t really involve them. Most new workers aren’t aware of the history of wage fixing - the Fraser years, the industrial campaigns of the ‘sixties and ‘seventies. Workers who do remember these things are struggling to understand why, in a period of the ‘eighties when there was substantial productivity and profit improvements in Australian manufacturing, they got such dismal results out of it. It’s not surprising that so many workers are cynical about individual unions and about the ACTU...What is definitely missing among workers is the belief that they actually have some power in the wage fixing process. Removing that power has led a lot of them to be somewhat uninterested and cynical about the way
Industrial relations operates. Lloyd also claims there are a large numbers of union delegates who recognise the advantages of award restructuring. But will it advantage the semi-skilled, particularly process workers like Raelene Davis (see box) in shops where the employers aren’t so keen on training? The simple answer is obviously large numbers of places are going nowhere with the tariff wall coming down it will mean the death of a lot of those places. But that would have happened anyway. Award restructuring was a rescue attempt. There are going to be entire sections of the metal industry that will disappear because of their inability to change, their inability to build a quality product. It’s an appalling fact of life that no matter how much money the car industry seems to have poured into new models, it still has major quality problems.

What implications are there for the Accord Mark VI? Should it continue to be supported by the union movement?

The Accord has been a tool of economic policy for centrally determining wages. Obviously a centralised wage fixing system is still necessary to ensure wage protection. But there has to be a question mark over Accord Mark VI. There has to be commitment by government, by employers and by ourselves to long term change. While I understand and follow the rhetoric of the ACTU...the reality is that to most (union) members Accord Mark VI looks horribly like the in-print version of the government’s rhetoric on enterprise bargaining. There is a real danger of unions destroying the last links of credibility with their members.

So where do you stand on the Accord?

I think it should be abandoned in its present form. I’m not opposed to an Accord process, but it’s got to change. Most unionists don’t understand what it is and if they do, they know it’s bad. The Accord Mark VI is in real danger of simply being an instrument to force everybody to enterprise bargaining. I’m not sure it’s useful any more for the Accord to be negotiated solely between a peak union body and governments. I think it’s time we started negotiating on an industry basis. The Australian trade union movement has some experience with that in the steel industry for example. It’s a better model than simply going out and making decisions about wage fixing, which is really all Accord Mark VI does.

Are these questions being debated?

No, not really. I think the Left has a problem intervening at the moment because the main supporters of this process have been Left unions. And we supported it for good reasons, to maintain a centralised wage fixing system. But it’s ironic that a lot of the Left who in the past have been highly critical of Kelty and the government are now supporters of the Accord process. The lack of debate about an alternative Accord process is a big problem, Lloyd believes. While he would not support wholesale abandonment of the Accord, he does urge debate on changing the process. But he concedes there is distinct lack of forums within the Left to allow credible alternatives to surface.

What forums are available? The ACTU is not a forum for alternatives to be discussed. And the Labor Party? I’ve watched the Labor Party use its forums as battlegrounds between personalities and pre-selections. And that’s the reality of bureaucratic life...power. The traditional base of criticism for the union movement Left and the academic Left, the social welfare Left and other related interest groups is the alternative political parties. It used to be the Communist Party. Now we need a new organisation."

But that new organisation doesn’t appear to be surfacing. In the case of the New Left Party it appears to be struggling.

Yes, it does. But the objective conditions for a new organisation are excellent. The Labor Party’s membership is declining or fundamentally changing its nature. There is an enormous electoral space out there for a party which is capable of coming to terms with the issues that matter to the people who vote in that space.

CLARE CURRAN writes for ALR on industrial issues. Her last article was on the Tasmanian Green/Labor Accord.