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The Deregulation of the Australian Labour Market

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The choice of theme¹ for this workshop was made for a number of reasons – it is an area of discourse of special interest to Keith Hancock and to which he has made important contributions, and it is topical and a feature of contemporary public policy not only in Australia but also in many other countries. Indeed, the International Monetary Fund has reminded us recently that Australia should go further down the road of labour market deregulation. Central to this question is the role of our dispute-settling and wage-fixing system, which for purposes of shorthand, I shall refer to as the Commission. The aim of my paper is to sketch the background to the new industrial relations system.

Wage-fixing arrangements have been in the forefront of public discussion in Australia for a long time. This should cause no surprise because the wage-fixing system can have an important bearing on the wellbeing of a country – as reflected in the rate of unemployment, productivity growth, stability of prices and the distribution of income. However, in addition to concern for these economic and social effects, there is a doctrinaire element in public discussion, which, although not articulated and not always easy to pinpoint, is, nonetheless, a powerful driver in political processes.

¹ Some may prefer the term ‘re-regulation’ to ‘deregulation’. This is a matter of choice. The latter looks at the situation in terms of *outcomes*, in particular less legal *determination* of the terms of employment. It does not necessarily imply a reduction in legal regulation of labour market. Indeed, the Australian experience shows that a great deal more legal regulation has become necessary to ensure that collective bargaining works in the way desired by the government. Re-regulation is the legal *process* by which new arrangements in the labour market are brought about.

This is a preview. Not all pages are shown.

Sue Richardson (1999: 36) has summarised the traditional function of our industrial regulation system in the following words:

Good institutions will not substantially inhibit growth. But they will pay attention to who is benefiting from that growth. There is nothing in unregulated markets which ensures that the gains from growth will be reasonably fairly distributed or that the costs of change are tolerable for those who lose. That has been the function of industrial tribunals.

Have we departed from this objective and if so, to what extent? The chapters that follow will provide some answers.

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