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INDUSTRIAL RELATIONS

J. S. THOMPSON, M.L.C.
President
Vehicle Builders Employees'
Federation of Australia

ABSTRACT: With a younger and better educated workforce and one which has been trained to question and evaluate our society, industrial relations will play an increasingly important role in the future.

The big issues for the Transport Industry of the eighties will be the increasing one of more sophisticated technology, the higher costs of some forms of energy, notably oil, and the social question of employment and job opportunities caused by the rapid advances of some of these new technologies.

A further major issue of the Transport Industry and of Australian industry generally will be the development of industrial unionism.

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The importance of good industrial relations has been overlooked by so many companies and government departments that it is not surprising that Australia has its fair share of industrial disputes.

The fact that this country with its rather unique system of compulsory Arbitration, the overlapping of dispute settling Tribunals in both State and Federal jurisdiction, the multitudes of unions in any one industry and the fact that we have no really recognised system of industrial relations leads an experienced observer of industrial relations to the conclusion, that the real surprise is that this country does not have far more industrial disputes than it does have.

Many companies in private enterprise still treat the industrial relations department as the poor relation of other departments and often as some form of necessary evil which is only tolerated through sheer necessity.

Many major companies which have first class research facilities, engineering departments, time study departments, quality control, in fact every facet of modern manufacture still have a quaint nineteenth century attitude to its most important force, that is those working on the factory floor. One inescapable fact is that if that workforce is not employed through a strike or cessation of work, the company is not producing, and if this situation continues it will eventually be headed for bankruptcy.

That there is a dramatic change in the thinking and values of the modern workforce as compared to the workforce of twenty years ago cannot be denied.

The modern workforce is younger, better educated and has been taught through the whole of the educational system to question and value before making decisions. It appears so logical, therefore, that the workforce which has been educated to think and evaluate will not take kindly to any form of autocratic management.

This is also ample evidence to show that much of the younger section of the workforce have a different set of values to those of the older workers. The big social questions of the 80's will be the participation of the workforce in making decisions, technological change and the working environment.

Management both government and private with a few notable exceptions have placed little value upon the necessity for the workforce to have some say in decision making.

In some instances some management have endeavoured to brand all forms of worker participation schemes as an attempt by the workforce to control the industry and its operations and see worker participation as some form of worker control. This type of thinking will be increasingly challenged in the future and progressive management should be looking at every avenue available to ensure that their workforce is part of the organisation, and are participating directly in many forms of management within the company itself.

To summarise this section it must be recognised that as younger workers enter the workforce they in turn will be more highly qualified than those currently entering the workforce, and this is the time for management both government and private to adapt their enterprise to the changing circumstances and the change in thinking of their workforce.

TECHNOLOGICAL CHANGE

The subject of technological change has been brought to the fore recently by some of the planned changes in both the communication and clerical field. Technological change, however, has been occurring since the industrial revolution, but what we are seeing now is a dramatic continuing increase in technological change and this increase is compounding at a very rapid rate.

The automobile industry has been undergoing technological changes since Henry Ford first introduced the assembly line.

For the first sixty years after the introduction of the modern assembly line better technology tended to cheapen the price of the automobile with corresponding higher productivity, and this led to automobiles being owned by more people. It is only in the last fifteen years where production has reached almost saturation point and the market has almost reached static growth, that we find that the new technology is displacing large numbers of workers in the industry.

As an example the total labour force employed in the United States automobile industry declined by 19% for the period of 1973-1975. In 1976 the loss of jobs in relation to the boom year of 1973 was still 11%. Similar declines were also noticeable in Great Britain, in Germany and even in Japan where total car production increased 9.5%, 1973-1976 the workforce diminished by 1.7%. In 1977 car output shot up 8.6% but unemployment dwindled by further 1/2%.

The decrease in the workforce employed in the auto industry in the United States, Europe and Japan has been disguised by the fact that layoffs due to technological change have not really occurred. Certainly layoffs have occurred particularly in the United States but these have been caused through market fluctuations. The decline in the workforce is easily more assiduous; as workers leave they are not replaced and it is not until statistics are taken out that the real loss of jobs in the workforce is clearly shown.

Unions with a few notable exceptions have to date accepted this situation but there are increasing signs that technology will no longer be allowed to displace large numbers of the workforce, with consequent loss of job opportunities without decisive action being taken by the union to counteract the misuse of technology.

This is not to say that technology can be contained in all sections of the transport industry. As an example, Australia currently has tariff levels of over 45% on fully built up motor vehicles. The Japanese can bring into Australia automobiles fully built in Japan where currently wages and working conditions are in many cases superior to Australia, and land these vehicles at a price far lower than they can be built in this country.

The reason is simple and can be summed up in one word - Technology. Japanese technology is far superior to the technology currently being used in Australia's auto plants, and many observers believe that much of the Australian auto industry is at least twenty years behind Japan and other parts of the world in its automobile manufacture technology.

The introduction of new technology will cause increasing problems both for trade unions and the community generally and this includes manufacture for the transport industry.

In some sections of Australian industry it is possible in the short term to insulate that section of the industry from the effects of modern technology. Obviously, in industries which are not threatened with competition from foreign sources they can survive by opposing the introduction of new technology, but from a national point of view the nation itself will pay the cost. In industries such as telecommunications, clerical, banking, etc, they will not be effected to the same extent that much of our secondary industries will be by the effects of high technology in overseas countries. In other words they do not have to face overseas competition. The position however, is totally different for those engaged in industries which can be in competition with those of other countries.

From a long term trade union viewpoint it could be held that the deliberate stopping of the introduction of new technology would ultimately reduce the standard of living. The important point however, is that the introduction of new technology should not be allowed to proceed unchecked until a full assessment has been made of the likely effects on industry and the community.

With the increasing costs of energy it is expected that considerable expenditure will occur with the introduction of new technology to keep pace with expected steep increases in the price of energy. This then leads to the question of what forms of transport we can expect in our planning for needs for the future.

PUBLIC TRANSPORT VERSUS THE AUTOMOBILE

This is the appropriate stage to mention that the trade union movement like the community has a very varied view of what form of transport should be developed in the future. There are those in one section which believes there is little place for

public transport, and freight and passengers can best be served by emphasis upon the road vehicle. There are other sections which believe that rail and public transport are the main areas for future transport planning.

As a union which has a large membership in the manufacture of automobiles, trucks and component parts on the one hand and public transport, including rail cars and buses on the other, it appears that the answer should be that which renders to the community the most efficient service after an examination of the real costs involved. The "costs" referred to should be treated generally and should include environmental effects, future cost of energy, employment and job opportunities and in fact the whole question of social and economic effects.

One point should be made perfectly clear, that is the bogie preached by some environmentalists that as the world is running out of oil, public transport should be encouraged irrespective of the cost and the effects upon the community.

This argument is not valid and tends to distort the whole picture of future transport planning. By the year 2000 there will be more cars driven by more people in more parts of the world than at present. This is accepted thinking of most of the transport planners of the world, and this now includes much of the so called socialist countries of Europe where modern auto plants are currently being built for the express purpose of providing reasonably priced automobiles for their communities.

It is also untrue to say that the world is running short of energy, a more factual statement would be that oil is becoming scarcer and consequently more expensive, but there are vast quantities of untapped energy for use by future generations.

It is expected that as oil becomes more expensive, new synthetic and exotic type fuels will take their place obviously at a higher cost than is presently being paid for oil. Existing technology is quite capable of overcoming the increasing problem of the oil shortage and it is purely a matter of costs.

What we will see however, is a very different type of automobile to the ones currently in use. The car of the 90's will be lighter, less pollutant, safer and running on a variety of fuels depending upon the circumstances.

In the commercial vehicle field there are a number of engines which offer great hope for the future and these include the Gas Turbine Engine and the Stirling. It is expected that by the mid 80's the Gas Turbine Engine will be in use in many of the heavy commercial vehicles on our roads and these engines are virtually non pollutant. The major defect of the Gas Turbine has been the very high temperatures necessary for the efficient operation of this engine, but this problem has now been overcome by the use of ceramics.

From the trade union point of view the importance of the auto industry in relation to employment must be clearly recognised. Currently approximately one person in ten in Australia owe their livelihood or part of their livelihood to the auto industry and these include people in the auxiliary fields such as the manufacture of steel, paint, rubber, plastics and chemicals.

It is quite significant that in every country of the developed world and many of the developing countries a major emphasis is placed upon the importance of their auto industry.

PUBLIC TRANSPORT

There should be no real conflict between public transport and the private motor vehicle. Both methods have an important role to play in modern society.

What must be recognised however, is that in future transport planning, we should be planning with the full recognition that the transport needs of Australia are in many instances peculiar to this country. This then means that whilst we can certainly study and learn from the overseas experience in our future transport planning it must be fully recognised that we have certain problems which are inherent to this country.

As an example, in many of Australia's decentralised industries in country areas where there are no forms of public transport, trade unionists are obliged to use their own private motor vehicle and frequently travel 100 kms a day commuting between their home and their workplace. The important point therefore, is that the artificial conflict deliberately created by some people between the private motor vehicle and public transport can be damaging to the standard of living of the workforce generally.

Public transport has, and will continue to have an important role to play in the future, but as the standard of living continues to rise there will be a tendency for more people to use more private cars and this will cause problems for some of the public transport systems.

With the increasing demand by the trade union movement for more leisure time and a shorter working week, with many companies switching to a system of flexi time, and with the concept of staggered working hours, these aspects will mitigate against a dramatic increase in the use of public transport.

In future public transport planning however, planners must insure that the reasonable needs of the community are met and people have access to modern public transport at a cost which does not discourage the use of public transport.

It must be stressed though, that in a free society Draconian methods cannot be used to force people away from the private motor vehicle to public transport. Any government which attempted to use this method in an endeavour to solve their public transport problems would find their terms of office extremely short. What is required therefore, is a balance between the use

of public and private transport with a recognition that there are certain benefits to the community in both systems. What is required is the rational use of both with the real needs of the community being predominant in government transport planning.

Public transport in most of Australia, particularly in New South Wales has been allowed to deteriorate over the years to such an extent that vast amounts of capital is now required to rejuvenate the system. In rejuvenating the public transport requirements of the State this presents an opportunity to modernise and update our public transport systems and bring them into line with the modernisation and continuing updating which takes place amongst the automobile manufacturing companies.

The future of public transport therefore, is dependant upon having a system which is acceptable to those who use the system and one which presents a true balance between the use of public transport and the use of the private motor vehicle.

INDUSTRIAL UNIONISM

Australia's industrial relations system was born from the British craft system which was introduced to this country by British migrants in the early part of the last century. The British system is based upon a particular union representing a group of workers in a particular craft irrespective of the industry in which they are engaged. This then means that a mechanical fitter, an electrician, a semi skilled process worker, a cleaner, in fact almost every single occupation is covered by a different union.

This leads to the situation where in the Public Transport Commission of New South Wales over twenty unions are representing the employees and to aggravate the situation some of these unions represent their members under State jurisdiction and others (the majority) under Federal jurisdiction.

It is a factual statement that a multitude of unions cover the whole broad spectrum of the Australian transport industry which includes its manufacture, repair and maintenance and in the retail side of the motor industry its sales and servicing.

The auto industry is a classic example of how destructive an industrial relations system can be which permits a multitude of unions to cover a particular industry.

The Vehicle Builders' Union which is the main union connected with the auto industry has at least 94% of the membership of those directly engaged in manufacture and assembly. The other 6% is shared by at least six unions and some of these unions have a very small number of members. They do however, have membership in strategic positions and as a result with the withdrawal of a few key people can bring plants to a standstill which employ many thousands of people. This has occurred on a number of occasions and in some instances we have had the situation where six members of a key maintenance union have withdrawn their labour, and this has led to the standing down of at least 1,600 other people who are members of the Vehicle Builders' Union and are not directly engaged in the dispute.

This has led to a strong feeling amongst the rank and file membership of the Vehicle Builders' Union that every step possible should be taken by this Union to ensure that as far as possible the majority union should have complete coverage of the industry.

When one compares the big efficient unions operating in other countries under an industrial relations system which only allows one union in each industry, with the fragmented system operating in Australia it is quite easy to see the grave handicap under which the Australian Trade Union Movement is functioning.

A comparison between the United States and the German Auto Industry where in both countries one union covers the entire industry, with that of the British Auto Industry where in excess of twenty unions cover the industry, this clearly shows the inefficiencies of the British system.

In many of the British plants there is so much disunity amongst the unions covering certain plants that there is little co-operation between these unions and in some instances they are not even on speaking terms. One could summarise by saying that the experience of studying the United States and German Auto Industry from the Trade Union angle as compared to the British Auto Industry is like making a comparison between day and night.

The most important single step which could be taken to bring about dramatic improvements in Australia's industrial relations system would be a system which only allowed one particular union to cover workers in that industry.

The policy of the A.C.I.U., which has been its policy since 1927, is that there should be industry unions. When speaking to leading trade union officials and to leading employers there is agreement that it would be in everybody's interest to have industrial unionism, but unfortunately the prevailing viewpoint is that whilst this will eventually be the established order in the Trade Union Movement it is still many years away.

From a genuine Trade Union viewpoint the system which allows individual maintenance unions with no real stake in the industry the power to disrupt and cause hardship to many thousands of workers, who are members of the union which has a direct stake in the industry, is destructive and should not be tolerated.

What some unions attempt to do in the Vehicle Industry is to use the power of their same minority groups in key positions to force gains for their membership which they cannot make in industries where they have the major membership and the major coverage. It does not appear to concern them that many thousands of workers are stood down and the industry itself becomes unstable through the activities of a handful of craft unionist in an industry in which they have no real interest.

This situation is condemned by the Vehicle Builders' Union whose policy is that the major union should be the only union to have complete coverage of that industry. In transport planning for the future it must become one of the prime tasks of the planners whether in the private sector or the public sector to influence governments of all levels to assist as far as possible with the policy of industry unions. As mentioned above it is A.C.T.U. policy and would be the biggest possible single step which could be taken to improve Australian industry generally.

With the increasing difficulties in this country's transport industry in the next decade the multitude of unions in the transport industry can have an adverse effect.

It is generally agreed that some of the new technology, which will be introduced into the transport industry in the manufacture of motor vehicles both commercial and private, can have a serious effect upon employment.

It thus becomes essential that with the threat of new technology causing huge job losses and the further threat of imports from low wage-high technology countries that the Australian system of a multitude of unions in a particular industry should not have an adverse effect upon that industry.

In having discussion with Trade Union officials from other countries who cover the membership of the auto industry they find it extremely difficult to comprehend our system of craft unionism. It must also be pointed out the acceptance by the workforce in a Plant which has embraced the system of industrial unionism.

At least two major auto plants in Australia have accepted a policy of industrial unionism and this system has been operating in both these plants for at least five years. In the initial stages there were certain apprehensions by tradesmen who had been represented by craft unions for most of their working lives that they would not fare as well under this system. Their fears proved groundless and when speaking to these members their viewpoint is completely behind the policy of one union in each industry or plant.

These plants have become extremely stable and yet their wages, working conditions and fringe benefits are generally superior to those of other plants of a comparable size and doing similar work which still have the craft union system.

It is a strong view of the Vehicle Builders' Union that the time is ready for legislation to be introduced to bring about an industrial relations system which has as its goal industrial unionism.

THE MYTHS OF LOW WAGES AND LONGER HOURS

The Trade Union Movement and the workforce are constantly being told by governments, employer associations, the media and so many groups of so called advisers that part of Australia's problem is our forty hour week and so called high wages. We are being told that if hours were prolonged and wages were reduced it would help Australia to be more competitive particularly in the export field, and this would go a long way towards solving some of Australia's economic problems.

In the view of the Vehicle Builders' Union any reduction in real wages, of lengthening of working hours would have a completely negative effect and instead of benefiting the country and the workforce would cause damage to our industrial structure which would be felt in a negative way by the whole of the community.

In regard to wages the Trade Union Movement is constantly being told that the Australian wage rates are too high. Currently the rate for a tradesmen motor mechanic in the Phillipines is approximately 36 cents per hour and it is these same workers who are being employed by the same multi national companies in the auto industry working both in Australia and the Phillipines. If tomorrow Australia decided to halve the wages being paid to workers in the automobile industry it would have no real bearing upon the cost of Australian exports of automobiles to other parts of the world. A reduction in wages however, would bring about a real recession in the industry and obviously would be destructive not only to the automobile industry but to the nation generally.

In analysing the situation, if the wages of an Australian assembler working for a major Auto-Multi National Company operating in both countries was halved, his Australian rate would still be twenty times higher than the rate of his counterpart working for the same company operating in the Phillipines.

This surely shows the myth that Australian wages are too high and it would be advantageous to us in the long term to reduce real wages.

The real answer to Australia's problem in regard to prices is productivity, and as mentioned earlier in this paper much of the Australian auto industry, which is in the hands of foreign multi nationals, is at least twenty years behind other countries in the methods of manufacture and this is not caused by the Australian worker.

The answer to the problem of the large foreign multi nationals in the transport industry is a strong International United Trade Union Movement. One of the major tasks of the Trade Union Movement in the advanced countries of the world, and this certainly includes Australia, is to assist in every way possible to ensure that the wages and working conditions of workers working in developing countries is brought up to Australia's wages and conditions as early as possible.

This is the real answer to the problem of the exploitation of workers in the developing countries which is now being carried out by many of the World Transport Multi National Companies.

CONCLUSIONS

There is no doubt that irrespective of the problems caused by technology and the displacement of large numbers of workers in the workforce the expansion of technology will continue.

It is the view of many sections of the Trade Union Movement that before major technology changes are introduced into industry the results should be analysed and defined and the full effect of this new technology be clearly illustrated before its introduction.

This is not to say that we should stop the introduction of new technology but merely we should understand what will happen when it is introduced.

The major task of the Trade Union Movement in the transport industry and obviously in other industries will be to learn to live with new technology and to gain from that technology every possible advantage.

The time is now right in the transport industry and this includes both private and public forms of transport and the mass production plants engaged in the manufacture of automobiles, for a reduction in the working week.

It will be imperative in the early 80's to reduce the working week, to seek earlier retirement, better pensions, in fact a whole new way of life for those engaged in the transport industry. The introduction of new technology and new methods will surely come, and the path to the future lays in the combined Trade Union Movement ensuring that the huge gains which will be made by the advent of new technology and new methods are shared by the whole of the community, including the very large section of the workforce engaged in all the facets of the national Australian transport industry.