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CFMEU CALL FOR RATE CUT LACKS CREDIBILITY

“The persistent refusal of the CFMEU leadership to countenance work practice changes that would lift productivity means their call for the Reserve Bank to cut interest rates is devoid of credibility,” said John Lloyd, Director, Work Reform and Productivity at the Institute of Public Affairs.

Michael O’Connor, National Secretary of the Construction, Forestry, Mining and Energy Union (CFMEU) has accused the Reserve Bank of ignoring its charter to promote full employment.

“Mr O’Connor accurately portrays the current difficulties facing the Australian economy when acknowledging that manufacturing and construction are shedding jobs and that competitive companies are struggling.

“However, as is now customary, the CFMEU ignores its role in helping to alleviate these pressures. Last year the CFMEU, upon winning a 25 per cent pay increase over four years from Victorian builders, boasted that it did not make any concessions to raise on-site productivity,” Mr Lloyd said.

“Mr O’Connor and other union leaders are quick to call on someone else to do something. But a struggling employer has no chance of union leaders agreeing to work practice changes that would improve efficiency.

“Compelling examples of union leaders’ folly are found in manufacturing and construction. The predominant car industry union, the Australian Manufacturing Workers Union, proclaims the high pay and conditions it has won for its members. Any reference to productivity enhancing changes is impossible to find. Yet it seems never a month goes by without plant closures and job losses affecting the vehicle manufacturing industry,” Mr Lloyd said.

“It is time for union leaders to show some fortitude and leadership. Then their calls for changes to economic policy change would be taken more seriously,” Mr Lloyd said.

Media Comment: John Lloyd, Director Work Reform and Productivity Unit. 0417 130 634