

Chapter Four

Precipitating industrial conflict

The more that government has withdrawn support from the sector the more it has wanted to interfere in the system.

Dr Tim Batten, University of New England¹

1.1 Section 33-15 of the bill provides financial incentives to encourage industrial relations reforms in universities. If universities comply with requirements, like the National Governance Protocols and Government workplace relations policies, and the Minister is satisfied with their compliance, individual universities will obtain an increased grant of 2.5 per cent in 2005, 5 per cent in 2006 and 7.5 per cent in a later year.

1.2 The Government's core goal in the industrial relations provisions of its policy package is to compulsorily introduce individual contracts – Australian Workplace Agreements or AWAs – into universities. In fact, AWAs offer no greater flexibility than common law contracts, which most universities already use for up to 20 percent or more of their employees. Collective Certified Agreements also offer the 'flexibility' that the Government is apparently looking for: even staff employed on conditions of a Certified Agreement can be paid above minimum rates to reflect labour market circumstances, performance factors and the other conditions that the Minister has identified.

1.3 The Government's interest in forcing AWAs onto the university sector rests on the fact that AWAs override all other conditions of a Certified Agreement, including floor salary and conditions. They permit a lowering of conditions as well as diminishing the role of unions in the higher education sector, an issue which has long preoccupied this Government.

1.4 Since the ending of full salary supplementation in 1996, universities have been faced with a growing dilemma: in order to make ends meet, they have had to rely on internal productivity gains through containment of salaries and staff numbers, while at the same time increasing student numbers (especially international and other fee-paying students). This has inevitably led to a blowout in student-staff ratios of over 30 per cent.

1.5 Rather than moving to restore indexation, the Government's strategy looks to price deregulation for domestic undergraduate students to provide future revenue growth. If one assumes there is adequate demand from students, economies of scale will allow providers to reduce costs and maintain higher income margins. Conversely,

1 *Hansard*, Armidale, 24 September 2003, p. 23

those institutions unable to command premium prices will have to lower their costs, including their staff hiring costs, to remain competitive. Inexorably, these institutions will decline in status and quality, fail to attract the best students and staff, and be forced to cut out those activities that do not generate income surpluses. They will cease to be what we currently regard as ‘universities’ and become mere education service providers.

1.6 The industrial relations clauses of this legislative package, taken alone, have the potential to derail the legislation. Thus on one level it is difficult to understand why the Government has accorded them such prominence or of any benefit to university teaching or research. The major difficulty for the Government in relation to these industrial relations clauses is convincing anyone that they are actually relevant to higher education ‘reform’. Nonetheless the committee, with its long and experienced oversight of the Government’s industrial relations policy, does see a connection with the higher education sector, and it is more sinister than might first appear.

1.7 In the committee’s view, the introduction into universities of Australian Workplace Agreements would undermine the collegiate spirit which is a characteristic of universities, and which has so far been maintained in spite of the increased casualisation of the academic workforce. Universities would indeed be turned into ‘higher education providers’ – far from the concept of ‘community of scholars’. However, it appears to be the Government’s view that there is nothing that is significantly different between a university and any other ‘workplace’ or enterprise, and so it would be unfair to give universities any selective treatment or exemptions imposed on other workplaces. Notwithstanding this, the Government’s approach is disingenuously selective: the committee makes the obvious point that the Government has not sought to ensure that AWAs are offered to all employees working in government departments.

1.8 The Government would probably argue that industrial relations in universities, while not an issue that arouses any wide public interest, will be an issue as long as the NTEU encourages a form of pattern bargaining that some university administrations have complained about in submissions to the *Crossroads* review. But, it is of interest to the committee that this matter was not raised by any vice-chancellor at public hearings. Nor was this issue even touched on in any university submission. The Government senator on the committee did question witnesses on the evidence provided to the *Crossroads* review, leaving some doubt as to how seriously the committee should regard this evidence. It appears that most stakeholders, if they think about it at all, regard the issue of pattern bargaining as a minor one. Instead, there was strong and unanimous opposition to the introduction of AWAs.

1.9 A useful overview of the continuing industrial disharmony which has characterised Government policy since 1996 was provided to the committee in Armidale by Dr Tim Batten. He points out that the proposals in the policy, and reflected in the bill, accentuate the trend in industrial relations that has existed for

some years. The more government has withdrawn support from the sector the more it has wanted to interfere in the system. He continues:

The previous round of enterprise bargaining was made much more difficult than it needed to be, largely because the so-called Kemp agenda made it so fraught with difficulty. Until recently, indications were that the present round of enterprise bargaining might be less difficult in that respect. However, the industrial relations details released on Monday of this week by ministers Abbott and Nelson are extremely disappointing in what they signal. ...The third point is that the package seems certain to lead to an increased stratification of a sector already too differentiated by access to funds and resources. The fourth point is that the proposals fail to address in any meaningful way the real workplace issues that face university staff, increasing unacceptably high student to staff ratios, unpaid overtime in the general staff and greater stress in the sector.²

1.10 This depressing warning of likely strife contrasts with evidence the committee heard from many other witnesses, especially vice-chancellors, of a currently prevailing harmonious and optimistic industrial outlook. The committee can only urge the Senate to reject this legislation, acknowledging that university staff and management will have to decide between them whether to fight among themselves over AWAs or whether to form a common front in opposition to the Government's policy.

Recommendation

That the industrial relations conditions as contained in the draft guidelines issued on 3 November 2003 be rejected because they would only serve to damage the quality of the core teaching and research functions of universities, would undermine staff conditions and unfairly target the valuable contribution of unions.

Recommendation

Clause 33-15 increases in assistance for higher education providers meeting certain requirements

The link in clause 33–15 requiring compliance with the centrally determined National Governance Protocols and the Howard Government's industrial relations policies in order to gain funding, be rejected by the Senate because it is unfair, unworkable, and unnecessary.

2 Dr Tim Battin, *Hansard*, *ibid.*, p. 23

Industrial blackmail

1.11 Industrial relations is a serious issue in this inquiry because of the financial implications for universities in their compliance or otherwise with requirements listed in clause 33-15 of the Higher Education Support Bill. This states that:

a higher education provider's basic grant amount for a year is increased ... if (a) the Commonwealth Grant Scheme Guidelines impose on higher education providers ... (ii) requirements based on the workplace relations policies of the Australian Government; and (b) the Minister is satisfied that the provider met those requirements...

1.12 The import of (a) is that funds will only be made available if the Senate does not disallow such guidelines. The import of (b) is that, even if funds are available, universities will not have access to them if they do not comply with the requirements specified in the guidelines.

1.13 If universities agree to sign up to the protocols on AWAs they will take a share of the \$404 million which has been set aside as additional funding for 2004-06. The committee notes the varying reactions to this offer, which is provoking strained relations between university administrations and staff. The Vice-Chancellor of the University of Sydney has stalled the signing of an enterprise agreement until the fate of the legislation becomes clear. In a contrasting decision, the Vice-Chancellor of the Australian National University has signed off on a recently negotiated enterprise agreement. The committee can only speculate on whether this example will be followed by other universities, and whether it is the beginning of the 'common front' referred to above. This funding is to continue as part of *Backing Australia's Future*, where the Government has established a workplace productivity program under which \$55.2 million will be provided in 2006-07.

1.14 The committee asked NTEU witnesses at the University of New England what the effect would be on UNE of the industrial relations statement issued by Ministers' Abbott and Nelson on 22 September 2003. The response was interesting in regard to the dynamics of enterprise bargaining negotiations over time:

The impact would be something like this. The last round of enterprise bargaining was extremely difficult. That is an understatement. There were local factors in that which I will not specify. I do not want to damage present relations, which have improved quite a bit since two years ago.

But the overriding factor, or an extremely strong factor, in how enterprise bargaining was conducted last time was the Kemp agenda and a university administration having to second-guess what the minister at the time would approve or disapprove. Until now, in this present round of enterprise bargaining—which is well under way in this university and has gone extremely positively compared to last time—the IR component of the Nelson package had been more of a minor nuisance than an overriding factor which was determining the course of events. As of Monday, however, that seems to have changed. If you look at the events at Sydney University

just in the last 24 hours, you will see an indication that university administrations are now going to be very reluctant to engage in genuine enterprise bargaining.³

1.15 This is how the Government precipitates industrial conflict. The introduction of AWAs was always going to face serious challenges, but by sabotaging enterprise agreement negotiations, the Government presumably expects that AWAs will at least get a foot in the door of universities.

1.16 The committee notes that Edith Cowan University submitted to the *Crossroads* review that it supported government action to reduce pattern bargaining. At the hearing in Perth, Vice-Chancellor Millicent Poole was critical of the linking of an industrial relations policy to the rest of the package. The deputy vice-chancellor stated that the university did not think the reforms would provide it with any more flexibility than it currently had. ‘...we do not think either side of politics recognises the extent to which employment conditions have changed in universities’.⁴ It should be noted that Edith Cowan University is the second or third lowest funded university in the country, arguably being underfunded to the extent of at least \$5 million per year. In the absence of indexation of grants to cover wage rises, the anxieties of Edith Cowan and universities in a similar position are understandable. The point to note here is that the Government is using the promise of industrial relations changes as a kind of substitute for adequate funding for wage increases: a ploy which is too transparent to be taken seriously.

Pattern bargaining allegation

The charge of pattern bargaining needs to be addressed. The Government has conducted a legislative campaign directed against industry unions on this issue for years, without success. It has no relevance in regard to university salaries and conditions, which are negotiated at the university level. The NTEU puts a floor under the salaries to be negotiated, but the outcome results in significant variations in salaries and conditions within institutions and across the sector. The extent of pattern bargaining engaged in by Commonwealth agencies exceeds that carried out by the NTEU.

1.17 Critics of the NTEU salary floor should also appreciate the undesirable effects of wide variations in salaries offered by universities. Australian universities, which operate in a global market, already lag behind a surprisingly large number of countries in terms of salary levels. All universities want to offer good salaries to attract and hold staff. If the Government intends that AWAs will have the desirable effect of depressing wages in some institutions, then this can only result in a greatly diminished quality of education on offer at these universities.

3 *ibid.*, p. 24

4 Professor Patrick Garnett, *Hansard*, Perth, 30 September 2003, p. 127

1.18 The Government's insistence that Australian Workplace Agreements be offered to university staff in any round of enterprise bargaining has already realised the potential to cause disruption, or at least disharmony, throughout the sector. It is little wonder that vice-chancellors have been highly critical of these provisions in the bill. The inclusion of these provisions, together with the governance provisions, have made it much harder for the Government to retain the support of its normal supporters.

1.19 This was most apparent in the evidence given by Professor Alan Gilbert, who described the industrial relations guidelines as an example of 'bureaucracy run riot'. He went on to say:

I think the guidelines subvert the very idea of a workplace agreement. I have been an objector for a long time to the fact that the unions have a gatekeeper role which can mean that a university like mine, which I think has a superb industrial relations environment, can be forced by the union's gatekeeper role to do things that we know will damage the academic community. The government is doing exactly the same thing as the union. It is giving itself a gatekeeper role and saying, 'Unless you create a standardised approach to IR we will not provide you with funds.' I think it is indefensible.⁵

1.20 Professor Gilbert spoke of his pride in achieving a much higher productivity and a very large degree of flexibility in relation to workplace agreements at Melbourne University, but he deplored any action that would push the university into a confrontationist course and tear a collegial community apart. That is something that is worth more than the money, in his belief.⁶

1.21 Another vice-chancellor, Professor Peter Sheehan spoke to the committee in more troubled tones about the threat of disruption. He clearly regarded the inclusion of industrial relations and AWA provisions as a provocation:

I think workplace agreements are still to some extent selective. Universities have been singled out. There are a number of professions in which workplace agreements are not running current. Enterprise bargaining, the role of the unions and their position with respect to AWAs are really explosive issues. The government knew about that. When I say I was disappointed I was hoping for some kind of wording that would allow access to funding. What I fear now—and that is why I use the term 'disappointed'—is that our access to those funds will be blocked by the confrontation and conflict ahead.⁷

1.22 Concerns about disruption and disharmony were also expressed by the Vice-Chancellor of Victoria University of Technology:

5 Professor Alan Gilbert, *Hansard*, Melbourne, 2 October 2003, p. 8

6 *ibid.*, p. 9

7 Professor Peter Sheehan, *Hansard*, Brisbane, 23 September 2003, p. 7

... the industrial conditions in the package are a shock to us. I am a new vice-chancellor, and one of my aspirations is to build a sense of trust and confidence with the staff. I am personally on record as supporting more flexible arrangements and greater choice in employment conditions for academics, but the industrial criteria in this package give me little room for a constructive dialogue about some critical issues with Victoria University staff. I have not mentioned that the industrial conditions put our financial situation in more dire straits—that is, the \$9 million to \$12 million, which we face losing in the transition period, and the \$1 million to \$3 million thereafter are at the outer ends if we do not achieve the industrial conditions which allow us to receive an additional 2.5 per cent per annum.⁸

1.23 The evidence of Professors Sheehan and Harman convey some idea of the additional pressures placed on vice-chancellors by ill-considered legislation. Along with many other provisions in the Higher Education Support Bill, the industrial relations requirements virtually guarantee that vice-chancellors will be caught in the dilemma of whether to threaten the collegiate harmony of their institutions or go for the money. Professor Gilbert doubts that it is worth the cost. But, as Professor Poole, pointed out to the committee in Perth, he was in the fortunate position of being able to do so.⁹

1.24 A number of vice-chancellors have described how their universities provide common law contracts to cover different categories of employees, and that these are much more flexible and less cumbersome than AWAs. The fact that this arrangement works well, and is accepted by the NTEU, is probably sufficient evidence for the Government to assume that AWAs go beyond what is needed. As the NTEU submission noted in regard to common law contracts:

There is nothing in any of the NTEU's Certified Agreements that prevents the payment of additional salaries, bonuses, allowances or the granting of additional leave or family-friendly arrangements.

Moreover, where employers have sought to negotiate these, NTEU Agreements provide for common-law contracts ('senior performance management contracts') which enable flexibility in respect of senior staff positions, displacing the certified agreement provisions in areas such as discipline, termination, performance, leave loadings, redundancy and salary increases.¹⁰

1.25 The committee noted the importance placed on harmonious industrial relations by all university stakeholders. Relations between staff and administrations in some universities have not always been good. The understanding of the potential dangers of a return to industrial instability for the long-term wellbeing of universities

8 Professor Elizabeth Harman, *Hansard*, Melbourne, 2 October 2003, p. 72

9 Professor Millicent Poole, *Hansard*, Perth, 30 September 2003, p. 54

10 Submission No. 466, NTEU, p. 55

has probably resulted in an acceptance on the part of both academic and general staff, and university management, that doctrinaire stances and ‘efficiency first’ policies are out of place. There has clearly been much compromise achieved. As the committee heard from an NTEU member in Perth:

I believe that if you look at our productivity gains—if you look at the increase in almost any measure, from staff-student ratios to however you care to measure productivity—this has been a very productive sector. The existing system has led to very little in the way of industrial strife and to great increases in flexibility. One thing that is often not realised is how much the sector has changed in the last decade or two. Our management now has the ability to reward performance; they have the ability to offer overt award payments linked to market forces; they have the ability to input merit and strategic factors. So there is great flexibility to reward good performance and performance above the norm.¹¹

1.26 Adding further weight to vice-chancellor opinion, Professor Daryl Le Grew summed up in broad terms the sense of exasperation felt by university leaders at the Government’s apparent inability to grasp some simple points about AWAs and the nature of the university as a workplace:

On the basis of the industrial relations reforms, we find that what is being proposed is unworkable. We think that our capacity to negotiate, as we do, with our staff is compromised by an overemphasis and strictures that are being put in place by provisions of AWA’s. I would like to point out, and I have pointed this out in other places, that the University of Tasmania already has quite a flexible approach to the way in which we construct our employment—we build it on the base of our collective agreements, and we think that is a good thing. Over the top of that we have L to K agreements, common law contract agreements and negotiated performance pay agreements across the university—these are transparent agreements that occur every year. So we have a raft of flexibility that we think achieves all that the government wants to achieve. We do not know why there is a continuing and obsessive commitment to something which appears to be more ideologically driven than logically driven at the present time. We are interested in outcomes and we can present the government with outcomes. We think we have done that, but we do not seem to be getting that through.¹²

1.27 As the committee argues in this chapter, Professor Le Grew’s achievement of good outcomes is not something that the Government is interested in: it is the way these outcomes are to be achieved which is at the core of clause 33-15.

1.28 University administrators dislike being dictated to by governments and officials who lay claims to competence in the field of management. They regard this,

11 Dr Stuart Bunt, *Hansard*, Perth, 30 September, 2003, p. 159

12 Professor Daryl Le Grew, *Hansard*, Hobart, 26 September 2003, p. 3

rightly, as unwarranted intrusion in their autonomy and their efficient operations. As the committee was reminded by Professor Alan Robson, Acting Vice-Chancellor of the University of Western Australia:

We are totally opposed to tying funding increases to the introduction of Australian workplace agreements or to being dictated to about how to organise industrial relations within the university. Despite what people might think, universities are very good at human resource management, and they have negotiated significant industrial reform which has been in the best interests of both the staff and the university.¹³

Objections to AWAs

1.29 The NTEU submission stated that there are only two reasons to use an Australian Workplace Agreement in higher education: either to deprive employees of rights they would have under a certified agreement or to meet the ideological prescriptions of the Government. It claimed that since most universities do not want to reduce conditions and already have ‘flexibility’, it is not surprising that there is no clamour, even among employers, for AWAs in higher education.¹⁴

1.30 South Australian NTEU members were asked what was unacceptable about the offer of an AWA to university personnel. The reply was that some staff might be vulnerable to pressure or may be talked into AWAs as a result of their inexperience. As one witness described it:

We are saying that there is the potential for people coming in at ground level, particularly young people—and I would not say particularly women, but in many of these low level 3 and level 4 general staff positions a lot of them are women. I could certainly see an environment where they would be told. We have already had the example in our university of advertisements for general staff positions containing words that are outside the agreement. I see it as a ‘thin end of the wedge’ thing. I would not be at all surprised to know that in some areas of my university there would be managers in this position putting pressure on people to sign AWAs.¹⁵

1.31 The committee believes it likely that the AWA measure is an attempt to undermine collective bargaining over the long-term, although it doubts that this would ever be achieved. In the committee’s view, such an outcome would, in any case, be undesirable. It is not only that university employees are likely to have more ‘political savvy’ than employees in many other organisations, but there is also likely to be a wary or skeptical attitude to advice that AWAs are in the best interest of employees. It would need to be shown that AWAs delivered salary packages as generous as those of

13 Professor Alan Robson, *Hansard*, Perth, 30 September 2003, p. 74

14 Submission No.466, NTEU, p. 55

15 Dr Judy Zollo, *Hansard*, Adelaide, 1 October 2003, p. 19

other contracts and agreements. AWAs have no purpose in universities other than to place those who accept them on lower levels of salaries and conditions.

1.32 As the committee heard from NTEU members in Perth:

The only reason I can see for introducing the AWAs, given that we have a number of systems in place to reward over performance, is a punitive one to drive down wages and costs. We already have the flexibility to encourage and reward performance and also to respond of administering to market forces.¹⁶

1.33 Another objection to AWAs was that they are regarded as extremely disruptive and costly. The cost is in relation to their negotiation and registration. Perhaps a more important objection was their likely adverse effect on staff morale.¹⁷

Other impositions on unions

1.34 The Government's industrial relations policy in regard to universities even extends to prohibiting universities from providing rent-free accommodation. The NTEU submission includes the following:

According to a report in *The Age* on Wednesday 6th August 2003, "Canberra Plan to Hit Staff Unions", this agenda might include a requirement that the union's on-campus offices be removed.

This proposal shows a gross ignorance of the important role played by staff representatives within universities through union organisation. Universities are large organisations and the NTEU Branch and its local officers, play an important role in consulting management and are usually represented on a range of university Committees and Branch Enterprise Agreements which also require the university, and the union, to play a role in consultation over staff issues. Many union representatives are required, as part of contributing to the collegial processes of university life, to contribute their views to university decision-making. This invariably involves the commitment of many hours of unpaid time.¹⁸

1.35 The NTEU says that in these circumstances, it is not surprising that universities have entered into arrangements with other unions, so that they are able to utilise or rent modest office facilities within universities. The presence of such offices and facilities make the process of consultation and representation more efficient. The committee agrees with the NTEU that 'any proposal to link the funding of education programmes to decisions by universities about how they allocate their office-space would be merely laughable if they did not also constitute an egregious interference in

16 Dr Stuart Bunt, *Hansard*, op. cit., p. 159

17 *ibid.*

18 Submission No 466, NTEU, p. 56

institutional autonomy.’¹⁹ The committee, unfortunately, is unlikely ever to know the original sources of these bizarre attempts to cleanse university campuses of any physical presence of organised staff or student representative bodies.

1.36 Amendments to the Workplace Relations Act are planned in order to empower the Australian Industrial Relations Commission to end protected industrial action, by requiring the AIRC to take particular account of the welfare of particular classes of people, who will happen to be those in the care of health, community services or education systems, including students. This measure, which removes the right to strike, is almost certain to be strongly opposed by all unions concerned. The committee, in its workplace relations oversight capacity, will almost certainly be dealing with this legislation when it is introduced.

1.37 The NTEU submits that under the existing legislation, employers have applied, and on one occasion succeeded, in obtaining orders against the NTEU from the AIRC to cease industrial action, and the NTEU has complied. The union argues that the discretion currently vested in the AIRC is appropriate.

The very words of 170MW(a) already implicitly direct the Commission’s attention to industries such as health, education and essential services. There is no need to further amend the Act, unless the intention of the Parliament is to render merely formal the right of employees in health, education or community services to take protected industrial action.²⁰

1.38 In this respect the Government’s proposed amending legislation mirrors its other attempts to strengthen legislation needlessly because the original intent was clear. It is unlikely that the Government will be any more successful in this attempt at amending the act than it has been previously.

Real industrial relations issues

1.39 The attempt in the legislation to impose AWAs on universities, provocative as it is, is not the point at real issue in the continuing challenge of providing appropriate and beneficial conditions of employment in universities. This issue might not be addressed directly in any ‘reform’ legislation, but it is directly relevant to the proper funding of universities. The serious cut-backs in university funding since 1996 have led to a marked deterioration in conditions of employment, especially for academic staff, and have resulted in greatly increased teaching loads which have affected the quality of the education provided to students.

Deterioration in employment conditions

1.40 The NTEU has submitted that since 1994 there has been a 44 per cent increase in the ratio of students to teaching staff in universities. Added to this is the increased

19 *ibid.*

20 Submission No. 466, NTEU, p. 59

workload, much of it unpaid overtime, necessary to conduct courses that bring in fee-paying students, and to engage in other activities to raise income from private sources. Anecdotal evidence of an 'out of control' workload is also supported by research: McInnis²¹ found that levels of job satisfaction among academics had fallen from 67 per cent in 1993 to 51 per cent in 1999. Their dissatisfaction was related to salaries, conditions, and declining opportunities to pursue professional interests.

1.41 The study found that 40 per cent of academics work more than 50 hours per week, while 55 per cent reported increased workloads over the last five years. McInnis concluded that the quality of teaching and research is threatened by such working arrangements. During 2000, a major study was undertaken into stress levels in universities.²² The study involved 17 universities, and a total of 8,732 responses. The response rate was 25 per cent, and analyses suggest that the sample is representative.

1.42 The NTEU points out that staff in higher education have carried the brunt of declining resources and increased student loads. Suggestions in the *Backing Australia's Future* package that high priorities were 'effective performance management systems', and that probation and promotion decisions be linked to student evaluation published on the institution's website, could reasonably be seen as deliberately designed to exacerbate the problems identified by the research.²³

1.43 The committee has always championed effective quality assurance processes at all levels of education and has often criticised governments for failing to provide them, but finds it very disturbing that governments should be intruding into areas where that intervention is likely to represent a serious threat to university independence and to academic freedom. The proposal in Section 8 of *Backing Australia's Future* that academic salaries be linked to student evaluations and management 'perceptions' is a concept strongly opposed by the committee because of its potential to destroy the collegiate spirit which is part of the intellectual life of universities. This idea is borrowed from the corporate sector: one of many instances where policymakers appear to be confused about the role of universities and why they cannot be like business entities and remain universities. As Professor Daryl Le Grew made obvious in his evidence to the committee:

What [this legislation] does not recognise...is that the staff of a university are its intellectual property, its intellectual capital. Without that intellectual capital nothing happens. We recognise that our staff are probably not as well remunerated in comparison to international standards as they might well be. We would love to be in a position, on balance, with regard to the university's overall budget, to improve that situation.²⁴

21 Craig McInnis, *The Changing Work Role of Australian Academics*, DETYA, 2000

22 Anthony Winefield, et al, *Occupational Stress in Australian Universities*, NTEU, 2001

23 Submission No. 466, NTEU p. 60

24 Professor Daryl Le Grew, op. cit., p. 4

Casualisation

1.44 This committee's 2001 report, *Universities in Crisis*, gave detailed evidence of the unfortunate trend toward casualisation of university employment, with devastating effects on academic staff and on teaching. Universities have sought to cope with the financial pressures on them by increase in casual hourly paid staff.

1.45 According to the NTEU, this has grown steadily during the period 1993 to 2000 as is shown in the following table:

Table: increase in casual staff

YEAR	ACADEMIC	GENERAL
1993	14.6%	8.1%
2000	19.6%	11.8%

1.46 This is not to argue that casual academic staff should not be used. Some casual staff with particular professional or vocational expertise may wish to supplement their teaching capacity, and casual tutors are traditionally recruited from among postgraduate research students so as to supplement their income and providing them with teaching experience necessary for an academic career. Universities require specialists in some disciplines who may be available only on a casual basis. Over the past decade, however, casual employment has been increased simply as a cost-cutting measure. An estimated 40 per cent of all undergraduate teaching is now done by casual hourly paid staff.

1.47 The employment of large numbers of casual staff places a considerable burden on the shoulders of a diminishing number of tenured staff, who are responsible for mentoring and supervision. More significantly, the casualisation of work itself reduces the opportunity for junior academic career aspirants to gain tenured appointments. Most academic and general staff casuals are employed in continuing 'permanent' work and most would prefer not to be casual staff. In this, they are representative of a high proportion of casual employees in all occupations. The committee notes that they are all suffering the consequences of an employment strategy promoted by the Government which has elevated employment 'flexibility' as 'holy writ'.

1.48 The committee is not therefore surprised to see references to more 'flexible' employment practices in Section 8 of *Backing Australia's Future*. This confirms the Government's intention to encourage even more recourse to precarious employment in higher education.

1.49 It is clear to the committee, as it would be to university stakeholders, that there is a clear policy connection between the Government's refusal to implement full cost indexation for Commonwealth grants and its policy of encouraging labour

flexibility in universities. The restoration of full indexation would see a fall in the rate of casualisation, and may encourage the expansion of tenured or long-term contracted positions. Vice-chancellors in their desperate attempts to attract good staff and build 'communities of scholars' have been arguing strongly for indexation. The Government, which understands this campaign, is just as determined to resist it. Therefore, all universities, especially those with least access to external funding, will need to wait for a government to be elected which has some respect for the role they have and some recognition that, properly funded, they will make the best decisions for themselves.

Conclusion

1.50 Pragmatism has no place in the Government's industrial relations policy. It is not sufficient for processes to work in practice: they must work according to theory. This is probably why the Government would be willing to accept that AWAs may not be taken up by any university employee, so long as they were available *in theory*. Even so the universities have realized the power that a government has to use an industrial relations issue to poison what were very good relations between university administrators and staff. Even without one AWA on the horizon, their potential to precipitate industrial disharmony is considerable.

1.51 The committee understands the overall strategy of the Government, and for that reason looks at the evolving higher education industrial relations policy with even more alarm than universities, for whom it appears as a bewildering aberration. It is not. This is an attempt to precipitate industrial strife, and there is an uncomfortable logic behind it. For a number of reasons, the committee is strongly opposed to the offer of AWAs to university employees and the removal of the current limit on the numbers of casual staff. Their purpose is only to institutionalise a form of salary fixation which is contrary to the interests of universities: their staff, their students and the role which they have in the intellectual life of the nation.

1.52 All references in this bill that tie Commonwealth Grants Scheme funding to industrial relations reforms be removed. Such provisions are unnecessary, draconian and destructive to the effective working of universities. Moreover, such inappropriate interference by the Government into university industrial relations detrimental interferes with the collegiate processes well established in universities.