

THE CHANGING AUSTRALIAN LABOUR MARKET



Multiple choice

1. D
2. B
3. D
4. D
5. A

Matching terms

| | |
|--|---|
| The laws, institutions and processes established to resolve conflicts between employers and employees. | Industrial relations system |
| An organisation of employers that represents their interests, in particular by lobbying the government and helping employers to negotiate wage outcomes. | Employer association |
| Prevents and settles industrial disputes between employers and employees at Federal or state levels. | Industrial tribunals |
| An association of workers representing their own interests, particularly relating to pay and work conditions. | Trade union |
| Mediation to meet a mutual agreement. | Conciliation |
| A legally binding ruling by an industrial tribunal or court. | Arbitration |
| The national trade union body covering most trade unions in Australia. | Australian Council of Trade Unions |
| Individual contracts negotiated with employers, signed on an individual basis. | Australian Workplace Agreements |

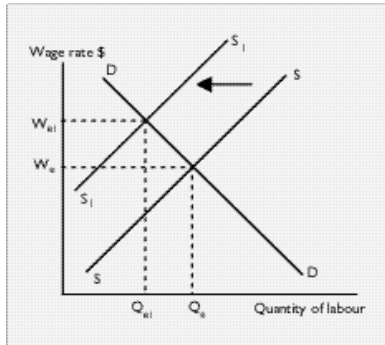
True or false

Select the alternative true or false that best answers the question. Place a tick in the space provided.

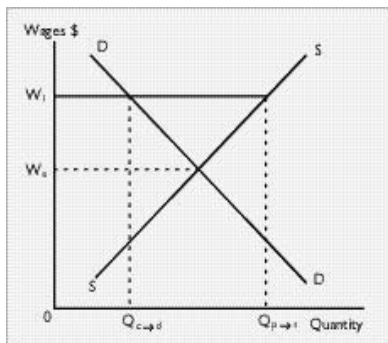
| | True ✓ | False ✓ |
|---|-----------|------------|
| 1 A trade union is an association of employers that attempts to maintain or improve the working conditions of its members. | ✓ | |
| 2 Union membership is increasing in Australia. | | ✓ |
| 3 Through coercing employers to pay employees a wage higher than that determined by the market forces of supply and demand, unions may price labour out of a job. | ✓ | |
| 4 Decisions reached through conciliation are legally binding. | ✓ | |
| 5 Certified agreements are negotiated at the enterprise level. | ✓ | |
| 6 Australian Workplace Agreements can lead to an employee receiving wages and conditions that are less than those established in awards. | | ✓ |
| 7 Under the <i>Workplace Relations Act 1996</i> , employees are able to strike at any time during the year. | | ✓ |
| 8 Unions and employer associations have no power to influence government policy. | | ✓ |
| 9 Compulsory unionism (i.e. a closed shop) is prohibited in Australia. | ✓ | |
| 10 Wage indexation is a feature of a centralised system of wage determination. | ✓ | |

Short answers

Question 1



Trade unions have, in the past, used closed shops to prevent non-union members working in an industry. This causes a reduction in supply of labour in some industries, shifting the supply curve to the left and increasing the equilibrium price.



Trade unions can use their bargaining power to negotiate higher wages, setting a price floor above the equilibrium wage.

Question 2

Tariff protection of an industry can artificially increase the price of imported goods. This means that consumers will be more likely to buy local goods, hence increasing demand for labour in protected industries.

Question 3

The Workplace Relations Act (1996) introduced several key changes:

- The use of 3 main types of wage determination - the safety net, Certified Agreements and Australian Workplace Agreements (AWAs)
- A reduction in the role of the AIRC
- A banning of closed shops
- The creation of the Employment Advocate

Question 4

| Advantages | Disadvantages |
|---|--|
| Wage increases can be linked to productivity in specific workplaces. | Workers forced to use AWAs have less bargaining power. |
| Less power of institutions in the labour market. | Less power for the AIRC to resolve disputes in the workplace. |
| Reduction in wage-price spiral as wages are linked to productivity. | Lower rates of Trade Union membership. |
| Falls in industrial disputes that occur outside of the bargaining period. | Increasing level of income inequality between workers on CAs and the safety net. |
| Increases in productivity improve long-term economic growth. | |

Question 5

The ACTU is an umbrella association, representing the interests of trade unions and its members on a national level. It lobbies the government to change legislation to improve the conditions of workers. It represents workers at the annual Living Wage Case, which determines changes in award safety net wages. It also assists in the resolution of large disputes, and works to protect employee rights (eg the guarantee of employee entitlements after the collapse of Ansett).