

ANY ATTENTION IS BAD ATTENTION? PUBLIC OPINION TOWARDS THE HOWARD GOVERNMENT'S INDUSTRIAL RELATIONS REFORMS IN 2005

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As other papers in this volume establish, the Howard Government's industrial relations laws pose a serious threat to the rights and living standards of Australians. There could be few stronger contrasts than between the content-free information campaign the government has run (costing some \$55 million so far) and the impenetrably complex form in which the legislation arrived into Federal Parliament in November 2005. The reforms, which uproot the foundations of Australian industrial relations, mark the second major confrontation between a wily, if depleted, union movement, led by the ACTU, and their powerful Federal political foes. The first confrontation—the Maritime dispute of April–July 1998—ended with the reinstatement of Patrick stevedores after the High Court rejected the company's appeal to reconsider the Federal Court's decision in favour of the workers (McConville 2000; Wilson 1998). The apparently unpopular MUA won the support of the union movement, the ALP, and a large minority of the public in its campaign.

On this occasion, the Government has distinguished its efforts through its willingness to publicise its policies, launching the most expensive publicity campaign undertaken by an Australian government. Despite outspending the union movement by some millions of dollars, the Federal Government and leading business advocates have failed to shift majority opposition to the reforms. Although the recent full privatisation of Telstra stands out as equally unpopular with voters, the industrial relations reforms have an effective opponent in the labour movement that

Telstra privatisation did not. As a result, I shall argue industrial relations is likely to remain salient to voters until the 2007 federal election, and that it is likely to cost the Government support. This paper proceeds in three parts. The first examines overall awareness of the reforms, the second investigates support and opposition for the reforms in more detail, and third considers the likely effect of the reforms on the Government in the 2007 federal elections.

Tracking Awareness and Support for Industrial Relations Reforms

The Government's strategy has been laid bare by the scale of its publicity campaign. The union movement's first wave of publicity—a media campaign combined with mass protests in late June 2005—managed to make strong initial impressions with the electorate. Opinion polls already registered strong opposition to the plans (see Table 1). To overcome this, the Government decided to give near-saturation publicity of the proposals using public money, which were distinguished by their lack of detail about the content of the reforms. In doing so, the Government hoped to 'drown out' opposing messages, but at some risk of bringing further attention to unpopular policies.

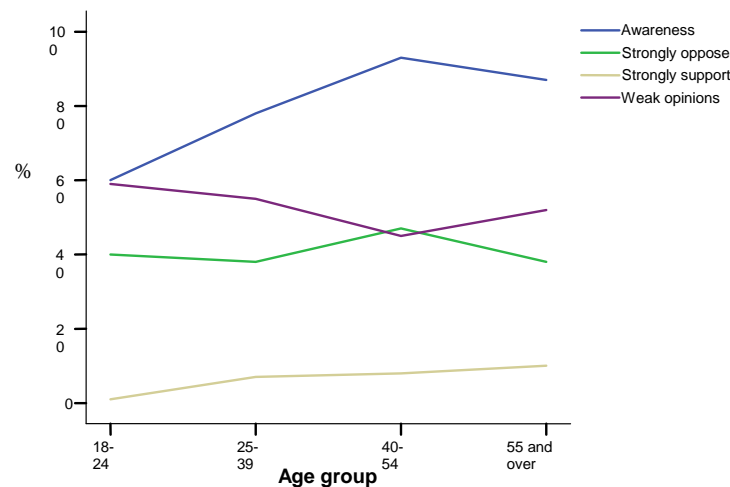
Before discussing support and opposition to the reforms, there is good sense in stepping back and considering the level of public *awareness* of the reforms. That the public has a consistent (or even high) level of interest in the industrial reforms cannot be assumed. Recent public opinion research in the United States confirms, however, that voters do take notice of issues in which they have a personal interest (Hutchings 2003, p. 140). The breadth of workforce participation means that the number of 'issue publics', as political scientists sometimes call them, potentially motivated by any threats to workplace conditions is large. It is certainly larger than the publics antagonised by other reforms and policies of the Howard era (for example, asylum seeker policy on the liberal-left, or the restrictions on the sale of firearms on the traditionalist right).

By now, some 84 per cent of the electorate are familiar with the reforms, but, this has risen only one per cent since early July (see AC Nielsen 2005a,b), a change within the sampling error. This provides an important clue as to why the Government's publicity campaign has not succeeded in shifting opinion—most voters were already 'educated' about the reforms prior to the September-October 2005 advertising blitz, and probably by the union campaign during the first half of the year.

Evidence about the different levels of *awareness* of the reforms across the public offers further insight (see Figure 1). Examining awareness by age group is particularly useful. Figure 1 shows that the level of awareness of the reforms by age group roughly tracks the level of labour force participation rate for each group. For example, awareness peaks at around 90 per cent among the 40-54 year old age group who have a high level of workforce participation. By contrast, around 60 per cent of young respondents (18-24 year olds) were aware of the reforms after the first union campaign. Older voters had lower awareness of the reforms than the 40-54 year old group, but remained more aware than the two youngest age groups. What Figure 1 does makes clear, however, is the strong association between *higher* awareness and *lower* support for the reforms between age-groups. We cannot establish from this data whether the higher awareness/lower support association holds at an individual level (without microdata), but these aggregate relationships provide a hint of this.

All major commercial opinion polls taken about the reforms reveal a high level of *strong* opposition to the reforms. It has been rare that 40 per cent of Australians have opposed a policy position of the Howard government. To place the current proposals in a comparative context, it is worth considering the patterns of support and opposition to the industrial relations changes to other unpopular reforms and policies. Figure 2 provides survey evidence for the level of support and opposition to the GST (introduced in July 2000), the decision to go to war in Iraq in 2003, and the full privatisation of Telstra in August 2005. The level of *strong* support and *strong* opposition is compared for these four policy areas to gauge the extent of committed constituencies—enthusiastic and hostile—in each case.

Figure 1: Awareness and Opposition to IR reforms by age group, July 2005

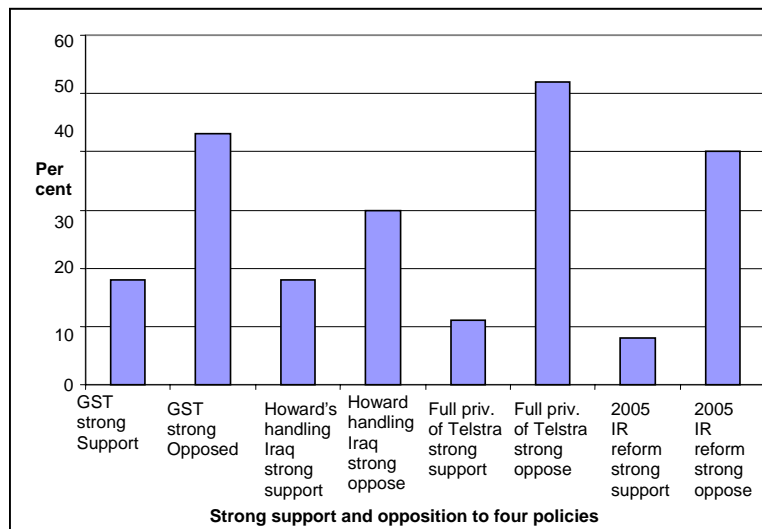


Source: AC Nielsen (2005a)

We find that strong opposition to the industrial relations reforms ranks alongside the peak of opposition to the GST recorded in the Newspoll of May 2001 when the economy had weakened substantially and the GST was blamed for this (Newspoll 2001). However, opposition to the GST (which has been surveyed by Newspoll since the June 1991) has fluctuated more than the current industrial relations reforms. In the case of the latter, we find (so far) stable opposition. Of course, this may fall—or rise—after the reforms become entrenched in the workplace. Opposition to industrial relations reforms is also higher than strong opposition to John Howard's handling of the war in Iraq, at 30 per cent (see AES 2004 [Bean *et al* 2005]), but not as high as opposition to the full privatisation of Telstra (which 52 per cent strongly opposed in the Newspoll of July 2005).

What is perhaps most significant is the failure of the present reforms to attract any strong constituency in their favour. While the GST package included tax cuts and enthusiastic supporters for lower income taxes, and Howard attracted considerable support for his decision to militarily support the American invasion of Iraq, the current IR reforms have only 7 per cent of the public willing to give them their strong support. This is lower than the number of strong supporters of the Telstra privatisation. It is this *lack of a constituency of support* that distinguishes these present reforms as unusually unpopular with voters.

Figure 2: Constituencies of Support and Opposition to four Howard Policies



Sources: For GST, see Newspoll (2001); for Iraq, see AES 2004 [Bean *et al* 2005]; for Telstra, see Newspoll (2005a); and IR reforms, see AC Nielsen (2005a)

The best available information on the shifting public response to the IR reforms over the course of 2005 has been generated by market research

company AC Nielsen, asking voters about their overall support for the reforms at the three time intervals to date: June, August and October (see AC Nielsen 2005b). AC Nielsen finds overall opposition has remained between 57-60 per cent over the past five to six months. There has been a surprisingly small decline in opposition to the reforms of about 2-3 per cent (which is, at best, marginally significant given the samples involved), further evidence of the Government's failure to use its campaign resources effectively. There has, however, been a modest decline in strong opposition to the reforms, dropping from 41 per cent in June to 35 per cent in October (see Table 1). But this has not translated across into strengthening support for the reforms.

Who Supports and Opposes Reforms — and What is Unpopular About Them?

A demographic breakdown of the support for and opposition to the reforms reveals further detail. Here, the findings of two commercial polls are used for this analysis—the AC Nielsen poll of October 24 and the Morgan Poll of 12/13 October. The results are reported in Table 1. Men are evidently more likely than women to strongly support the reforms (10 versus 4 per cent). Women are slightly more likely to strongly oppose the reforms (36 versus 33 per cent) but are also more uncommitted (18 versus 13 per cent). Higher levels of non-commitment among women may be the product of lower workforce participation, which limits the direct impact of reforms on women (and therefore the attention women pay to the conflict). There is little significant variation in opinion between respondents from capital cities and other cities, regions and rural parts of Australia. The consistently strong opposition to the reforms in rural and regional areas, however, may be more significant for the Coalition. The Government holds a large number of non-metropolitan seats, so the effects of any uniform opposition to IR reforms on the Federal vote may be felt most outside the cities.

Table 1 also shows differences in attitudes to the reforms between blue and white collar workers, based on recoded data from the Morgan Poll of

12/13 October 2005.¹ Two findings stand out: more blue-collar voters are *unaware* of the reforms than white collar voters (some 34 versus 19 per cent) but, among those who are aware, blue collar opposition is higher than white (66 versus 59 per cent). These findings would suggest that, although blue collar respondents are *less* likely to be aware of the changes, that they are *more* strongly opposed when they are.²

Table 1: Barometers of support and opposition to IR reform

	<i>Strongly support</i>	<i>Support</i>	<i>Neither</i>	<i>Oppose</i>	<i>Strongly oppose</i>	<i>Don't Know</i>
Change over time						
<i>AC Nielsen - June</i>	8	13	13	18	41	6
<i>AC Nielsen - August</i>	8	16	12	22	36	6
<i>AC Nielsen - October</i>	7	16	15	22	35	5
Change (Jun-Oct)	-1	+3	+2	+4	-6	-1
Specific aspects						
<i>Morgan Poll (overall) - October</i>	—	22	19	59	—	—
<i>Cash in two weeks' annual leave</i>	—	55	6	39	—	—
<i>Abolition of unfair dismissal</i>	—	26	8	66	—	—
Demographics						
<i>Men*</i>	10	19	13	21	33	4
<i>Women</i>	4	13	18	23	36	6
<i>Capital city*</i>	7	16	14	22	36	5
<i>Non-city</i>	7	17	17	23	34	2
<i>Blue Collar**</i>	—	18	15	67	—	—
<i>White Collar</i>	—	23	18	59	—	—

Source: * AC Nielsen (2005b); ** Roy Morgan Research (2005)

The Morgan poll offers some additional insight into the specific areas of the proposed reforms that attract opposition. It shows the extent of voter support for three areas of the (government's) plans: (i) to extend the

1 The Morgan poll data records only support and opposition (and not the intensity of these preferences).

2 The Morgan poll data on blue and white collar voters includes those who are not working. This could suggest that a fair proportion of unaware blue-collar voters are in fact not in the workforce (retired or unemployed). If this is the case, then these figures may exaggerate the awareness differential among blue and white collar voters who are presently in the workforce.

period of probation for new employees; (ii) to allow workers to 'cash in' two weeks annual leave for higher pay; and (iii) to abolish unfair dismissal provisions for employees working for companies and organisations with fewer than 100 staff (see Roy Morgan Research 2005).

Results for the latter two are particularly interesting, as shown in Table 1. Surprisingly, voters offer a reasonably high level of support for cashing in leave entitlements (55 per cent). It seems that voters either do not value their holiday leave as much as their take-home pay or they are not especially aware of the consequences of 'cashing in' entitlements. Certainly, the superficial appeal of the *WorkChoices* packaging of the reforms promotes this kind of flexibility without acknowledging the less tangible costs of losing holiday leave later on.³ By contrast, strong opposition to the reforms appears to stem from the proposal to remove unfair dismissals protections for workers, which are most likely to impact on job security. Voters express their strongest and clearest opposition to removing these unfair dismissals provisions—some 66 per cent oppose.⁴ With the additional clause in the legislation before the House of Representatives that allows for retrenchments in organisations above 100 for 'operational reasons', the legislation is likely to have an impact on job security beyond that originally expected.

Frequently, voter estimation of the *personal* and *overall* effects of public policy differs in electorally significant ways. Table 2 presents public opinion on voter estimation of the likely effects the reforms will have on the economy, and for them personally. Around 30 per cent of voters think the reforms will have a good effect on the economy while 40 per

3 The unanticipated consequences of the reforms—such as the real cost of losing statutory entitlements—have been a focus of the ACTU publicity campaign.

4 The proposals to extend the reach of Australian Workplace Agreements—AWAs—is also unpopular, but the Morgan poll does not ask about this. Some further assessment of the public's response will be provided by data collected in the *Australian Survey of Social Attitudes 2005* (to be released in early 2006). The Survey includes a time series on responses to the item—'Individual contracts favour the employer over the employee'. Preliminary results for the 2005 Survey (a sample of 830) show a majority of respondents now agree with this proposition (56 per cent) as compared with 46 per cent in 2003 (for 2003 results, see Pusey and Turnbull 2005: 161-181). This shift is substantial and, if confirmed in the full 2005 sample, may indicate an increasingly negative reception to this form of employment arrangement.

cent think the reforms will have a bad effect. Although the poll data does not exist to demonstrate any direct relationship at the individual case level, these Newspoll figures suggest some of the opponents of the reforms still believe the reforms will have positive economic effects overall. This may reflect a 'belt-tightening' acquiescence among some voters who oppose the reforms for various reasons, but accept that they could be good for the economy—a sentiment strongly encouraged by the reformist Labor government of the 1980s.

While 25 per cent are uncommitted about the economic effects of the reforms, the ambiguity diminishes when pollsters ask about personal impact. Only 11 per cent of respondents believe that the reforms will benefit them personally (this belief rises among Coalition voters and young voters who record 20 and 18 per cent respectively). The main working age group—35 to 49 year olds—are most likely to think the reforms will make them worse off (38 per cent). Newspoll has not asked respondents a general question about the popularity of the reforms. Interestingly, however, the Newspoll figures of 11 per cent of respondents believing they will be better off because of the reforms and 38 per cent believing they will be worse off closely corresponds to the levels of strong support and opposition for the reforms measured by AC Nielsen in Table 1. If this correspondence is more than a coincidence, then much of the opposition to the reforms comes from voter anxiety about the reforms' direct personal impact (a point that is raised again in the Conclusion).

Industrial Relations and the 2007 Federal Elections

While the tax reform that introduced the GST cost the Coalition votes in the 1998 federal election, it also attracted votes from Labor at the same time (McAllister and Bean 2000). This is because, unlike the present reforms, the GST package (which included income tax cuts) had established a popular constituency, and the benefits of reform—in the form of personal income tax cuts—were tangible. At the next election, an electorally successful but now ageing government will face majority opposition to two major reforms of its fourth term in office: privatisation Telstra privatisation and IR reforms.

Table 2: Effect of Reforms on the Economy and Personally

	<i>Very good</i>	<i>Good</i>	<i>Neither</i>	<i>Bad</i>	<i>Very bad</i>	<i>Uncommitted</i>
<i>Newspoll - October</i>						
<i>Effect on economy</i>	8	23	4	18	22	25
<i>Newspoll - October Effect on respondent</i>	4	7	44	15	17	13
Demographics						
<i>Male</i>	9	24	8	20	20	19
<i>Female</i>	7	21	4	20	17	31
Age group						
<i>18-34</i>	9	28	6	20	13	24
<i>35-49</i>	6	21	8	22	20	23
<i>50+</i>	8	18	6	19	21	28
Income						
<i>Less than \$30,000</i>	8	13	4	25	20	30
<i>\$30,000-69,999</i>	9	25	6	21	19	20
<i>\$70,000 and over</i>	7	26	8	16	17	26

Source: Newspoll (2005b)

Government ministers have suggested that, although the IR reforms will be unpopular at the time of their introduction, this will fail to have any serious electoral impact because they will be accepted and, indeed, create their own constituency. However, there are grounds to believe that this is an overly optimistic forecast. None of the three conservative state governments that introduced major industrial relations changes—the governments led by Nick Greiner, Jeff Kennett and Richard Court respectively—survived more than two terms. By contrast, the Federal government has been able to keep industrial relations ‘below the radar’ in part because it has not had a Senate majority to pass major legislative changes. This situation appears to be changing. Figure 3 presents Newspoll data on the overall salience of industrial relations to voters’ decisions between 2000 and 2005 (Newspoll 2005c).

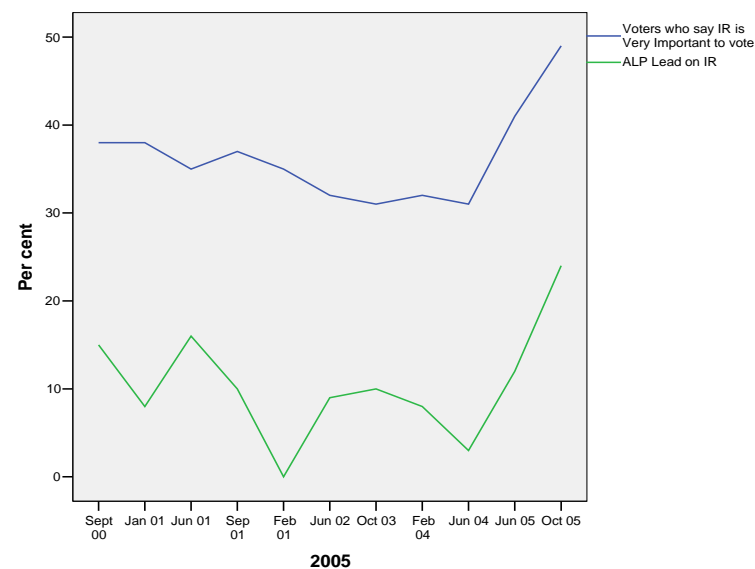
The current reforms have produced a sharp increase in the importance of industrial relations to voter choice—just under 50 per cent now rate IR as ‘very important’, which contrasts with around a third of voters in the

period before the reforms were announced. At the same time, the ALP has extended its lead on the Newspoll measure of which party is preferred to handle industrial relations (see also Figure 3). With almost two in five voters in the 35 to 49 years age group claiming that they will be worse off under the new laws, the increased importance of industrial relations reflects how much voters have registered likely negative impact that the reforms will have on their livelihoods. In this respect, the larger opposition to the reforms is not strictly 'ideological'—it is a recognition of a looming threat to living standards.

The combination of the rising importance of industrial relations to voters, and a clear lead for Labor in this policy area, is significant. Votes flow to parties that get clear leads on issues that matter to voters. Labor has failed to establish this combination over the past decade. While the GST was very unpopular among many voters, for example, the ALP alternative ('rollback' on the GST) was not strongly preferred. The ALP's decision to 'tear up' the IR legislation (a commitment stated by both the Shadow Industrial Relations Minister, Stephen Smith, and the Opposition leader, Kim Beazley), now suggests that the ALP will take a clear alternative IR policy to the next election.

Will the IR reforms remain both as salient and as unpopular as they are currently? Or will they be subordinate to a Coalition campaign on terrorism, national security and the economy? There is some evidence to suggest the Government's poll standings have been damaged by the reforms but the likely impact will not be known for some time. Figure 4, which tracks Newspoll (2005d) primary vote intentions between January and November 2005, suggests that the Coalition primary has been trending downwards since late May. Indeed, the October 21 primary vote score for the Coalition of 37 per cent is just 3 points above the Government's lowest Newspoll result (which was recorded in June 1998). At that time, the One Nation Party was actively drawing support from the Government, which is no longer the case. With strong campaigning against the Government by unions in November 2005, the labour movement appears to be establishing itself as the most effective opponent to the Howard government. Far from being Labor's burden, the movement may be re-establishing itself as a dynamic actor in Australian politics, and critical to the Labor Party's parliamentary prospects.

Figure 3: Overall Importance and Preferred Party for Industrial Relations, 2000-2005

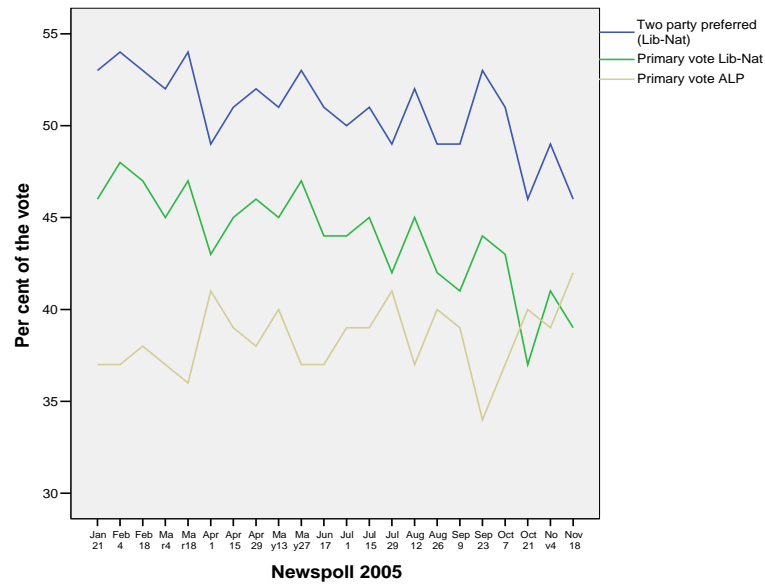


Source: Newspoll (2005c)

Conclusion

The industrial relations reforms are among the most unpopular policies of the Liberal Government, attracting around 60 per cent opposition, and without the counterbalance of the enthusiastic supporters that backed the GST and war in Iraq. Opposition has persisted despite the publicity campaign because the public was first educated about the reforms by the union protests earlier in the year. Indeed, the Government's advertising campaign may have opened up a second front of opposition to the reforms from those opposed to the misuse of public revenue for this kind of advertising.

Figure 4: Labor And Coalition Primary Votes and Two Party Preferred Vote, 2005



Source: Newspoll (2005d)

Opposition to the reforms is partly ideological, a resistance by some to their attack on established consensual institutions, collective labour market outcomes, and unions. But, for many other working Australians (in fact around two fifths of the main working age group of 35-49 year olds), the reforms threaten job security and living standards. They do so in a way that, for some employees, may start to connect harder times at work to a new aggression among employers and conservative politicians. The worse case scenario for the Government is that reforms fuse together pragmatic fears about living standards with a larger rejection of the kind of workplace and society the reforms engender; if this is the case, then the government may have started to drift outside what James Stimson

calls the 'zone of acquiescence' in which voters are largely indifferent to the partisan content of policies (1999: 20-23).

As a result of these threats, industrial relations is now a salient issue among voters, and more so than it has been in recent years. The reforms have given the ALP a rare opportunity to sharply differentiate itself from the government on a major area of public policy, and to garner public support for doing so. With the reforms' final passage and implementation still uncertain, it is difficult to predict the reforms' long term impact on public opinion. Long term hostility to the reforms will depend greatly on their impact on perceptions of personal living standards. If they are implemented in their present form, workers will find themselves in a quite different workplace reality over the next few years. However, the union movement will be compelled into a more complicated industrial and political scenario as well. The prospects of strikes, pickets and disorganised conflict between workers and employers will give the Government new opportunities to claim back political territory and portray the labour movement as extreme. But, if the larger sense of unfairness that the laws threaten becomes a reality, the public may start to look for a political alternative to the 'reformers'.

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