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Michael A. Gurdon

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Article abstract

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Civil Service Employment Relations in Australia and Canada

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In discussing the future of collective bargaining in the public sector, Benjamin Aaron drew attention to the desirability of studying foreign experiences — both the problems encountered and solutions proposed — in order to force a re-examination of our own policies and practices[1]. The point of comparison in this paper is Australia, or more specifically, the federal civil service in that country. Australia is one of a handful of countries with which Canada is regularly compared, because of a common heritage and language, a similar standard of living and population size. Just as in Canada, the question of how to improve the performance of and increase the efficiency of its public services has occupied the attention of all Australian governments since the early 1970s[2]. Of greatest significance in this regard was the Coombs Royal Commission, formally known as the Royal Commission on Australian Government Administration, which released its comprehensive report in 1976. Several of its recommendations dealt with union-management relations and personnel management issues;

• GURDON, Michael A., Professor, School of Business Administration, University of Vermont, USA.

1 B. AARON, «Future of Collective Bargaining in the Public Sector», in B. Aaron, J. Grodin and J. Stern (eds.), *Public Sector Bargaining*, Washington, D.C., The Bureau of National Affairs, 1979.

2 In Canada, a number of commissions and studies have been devoted to various aspects of this issue, *e.g.*, the *Finkelman Report* (1974), the *D'Avignon Report* (1979), and the *Lambert Report* (1979).

however, most of the proposed changes had to await implementation until after the election of the Australian Labor Party (ALP) in 1983. Before detailing the most recent developments, I will briefly overview the pre-existing degree of union and employee involvement in the operation of the federal civil service.

STAFF PARTICIPATION IN MANAGEMENT

For a considerable period of time, federal civil servants in Australia have been represented on review bodies which deal with personnel issues normally regarded as part and parcel of management's prerogative. The following are examples of that involvement:

— Discipline Appeal Boards — employees have parity representation on these boards which hear appeals against penalties imposed by the department or agency. This mechanism has been in existence since 1903, just two years after Australia had attained its national sovereignty.

— Promotions Appeal Committees — these committees, created following the recommendations of a joint union-management study committee in 1944, consider appeals of officers against promotional and transfer decisions.

— Redeployment and Retirement Act Tribunals — these joint bodies hear appeals relating to the redeployment or early retirement decisions taken by management.

— Of broader significance is the Joint Council. This bipartite representative body was established by the Chifley Labor Government in 1945, one year after the Canadian government had established the National Joint Council to advise it on wages and working conditions. The Australian version is composed of seven representatives from the departments, and seven drawn from the staff organizations. The Council, and its various subcommittees, may consider any matter of general interest other than pay. Issues of continuing concern have been staff relocation, leave, superannuation, appraisal and counselling, and access to personal records; in other words, those conditions of employment that are not, for the most part, the subject of arbitration within the nation-wide system of industrial tribunals. The overwhelming majority of proposals have initiated from the employee side. It has been estimated that around 75 percent of all joint Council recommendations have been accepted and implemented by Service management[3].

3 Public Service Board, *Public Service Board Annual Report 1977,* Canberra, Australian Government Publishing Service, 1977.

The existence of such joint boards reflects important early inroads into areas that are traditionally regarded as being subsumed under management's rights. The operation of the promotions appeals committees, for example, has an inescapable impact on the making of promotions decisions. Furthermore, it is important to note that while promotions, demotions, dismissals, appraisals and classification questions are not negotiable issues under the *Public Service Staff Relations Act,* such managerial rights, where they do exist in Australia, have not been delineated in legislation, but have arisen as a result of awards made by the Arbitration tribunals. In making any comparison with the Canadian situation, it must also be understood that the Australian Constitution limits the ability of the federal parliament to pass laws dealing directly with the core subject matters of industrial relations; legislative influence is primarily indirect through the setting up of the tribunals which are to determine wages, hours and working conditions. The Arbitration tribunals are thoroughly independent bodies which have clearly indicated that government presentations are given the same weight as evidence provided by other parties[4].

THE 1983 ACCORD

With this as background, the Labor Party came to power in March 1983 with a platform strongly favouring the promotion of industrial democracy. This was very much a resuscitation of the idea. The term had been bandied about in the early 1970s but had been looked on with suspicion by many of the trade unions. However, important segments of the political and industrial wings of the labour movement became attracted to the institutionalized West German and Swedish systems and to the possibilities they seemed to open up. Indeed, following its 1981 congress the Australian Council of Trade Unions (ACTU) adopted an industrial democracy policy which called on the federal government to amend the *Public Service Act,* and the various *Corporate Acts* in the private sector, in order to facilitate the introduction of more democratic practices in the workplace. For its part, the ALP had promised that, if elected, it would support the institution of industrial democracy schemes in Public Service departments and in statutory authorities[5]. It believed that the introduction of industrial democracy was desirable for three main reasons: (1) to help put an end to worker alienation; (2) to improve morale, efficiency and performance; (3) to establish models and examples potentially suitable for application in the private sector. While a Labor government was not prepared

4 K. WALKER, *Australian Industrial Relations Systems,* Cambridge, Mass., Harvard University Press, 1970, p. 116.

5 Australian Labor Party, *1982 Platform Constitution and Rules,* p. 111.

to advocate the imposition of a uniform system across the whole of government employment, since «it is the essence of such schemes that they be negotiated with staff themselves»,[6] a possible start was seen to be the introduction of joint consultative committees within each department. The policy statement went on to propose that an Industrial Democracy Unit be established within the Public Service Board[7] to make recommendations on the removal of barriers existing in the *Public Service Act* and in current administrative procedures to the introduction of more participatory forms of management, and to provide consultancy services to encourage departments to try out alternative working methods[8]. The ALP also proposed that negotiations be initiated with the unions to develop a system of worker participation in Public Service administrative decision making[9].

This rhetoric over industrial democracy fitted in quite naturally with the image conveyed by the new administration in Canberra. The Hawke Government, from the very outset, was to be notable for its consensus, extra-parliamentary style of politics. During his first month in office, Prime Minister Hawke chaired an extraordinary National Economic Summit to deal with the pressing economic problems facing Australia and to which all salient interest groups were invited. An integral part of the resulting Summit «understanding» was a pre-existing Accord that had been fashioned between the Labor Party and the trade union movement. Under the terms of the Accord, the ACTU accepted the need to confront inflation and thus to restrain its wage demands, while the ALP committed itself to maintain real wages within the context of a prices and incomes policy, to enhance what it called the «social wage» provided by government expenditures, and to pursue a program of economic growth in consultation with the union movement.

In the months following the election, a considerable amount of union and Labor Party energy was devoted to the democratization objective in the arena of government employment. In June 1983 the Joint Council created a subcommittee on industrial democracy which comprises five union representatives (including the current chairman) as well as representatives of

6 Federal Parliamentary Labor Party, *Report of Task Force on Government Administration,* Canberra, 1983, para. 67.

7 An independent statutory authority which is the employer advocate at hearings of the arbitration panel and which is responsible for promoting the efficiency of the public employment sector. Its responsibilities encompass the functions covered by the Treasury Board and the Public Service Commission in Canada.

8 R. HAWKE and G. EVANS, *Labor and Quality of Government,* Policy presentation by Bob Hawke, Leader of the Australian Labor Party, and Gareth Evans, Shadow Attorney-General and Chairman, FPLP Task Force on Government Administration, 9 February 1983.

9 Federal Parliamentary Labor Party, *op. cit.*, para. 68.

five departments and the Public Service Board. At the end of that year, the Government issued a discussion paper entitled *Reforming the Australian Public Service* which addressed three broad areas in which public administration could be made more efficient — the roles of senior advisers and managers, resource allocation and priorities, and personnel policies. Union involvement and worker participation were dealt with in this last area. The discussion paper became the basis of the *Public Service Reform Act* of 1984.

THE PUBLIC SERVICE REFORM ACT OF 1984

The *Reform Act* amends Section 22 of the *Public Service Act* which now requires departments and prescribed statutory authorities to develop and maintain industrial democracy action plans. Each plan «will consist of a statement of the goals and objectives for industrial democracy in the department, the proposed timetable and strategy for achieving these objectives, and the specific processes by which industrial democracy will progress over the forthcoming year»[10]. The deadline for the submission of the initial plan, which of necessity concentrated heavily on identifying departmental needs and the consequent resource and training implications, was October 1985. The largest of the civil service unions, the Administrative and Clerical Officers' Association, promptly determined that four topics must have priority under each action plan; namely, equal employment opportunity, occupational safety and health, new technology, and facilities, training and research resources for delegates participating in the industrial democracy plan and processes[11].

Although the *Reform Act* does not prescribe the precise form of employee involvement, it does envisage that industrial democracy action plans will be developed and reviewed through some sort of union-management mechanism. In this light it is significant that the Joint Council's subcommittee on industrial democracy has supported the establishment of departmental councils for purposes of «consultation and negotiation» and as a form of representative participation in «the management of the organization»[12]. Most departments and authorities have

10 Public Service Board, *Guidelines for the Development of Industrial Democracy Plans,* Canberra, October 1984.

11 Administrative and Clerical Officers Association, *ACOA Industrial Democracy Policy* (1985). Document provided through correspondence with Peter Robson, National Executive official of ACOA.

12 Public Service Board, *Guidelines on the Establishment and Operation of Departmental Councils in the Australian Public Service,* Personnel Management Manual, Vol. 3, Canberra, July 1984.

established such departmental councils in the period since 1984. The activities of these joint bodies thus far have typically included agreements on such goals as safety programs, attitude surveys, information sharing, and the procedures to be followed in the allocation of financial and staff resources.

It is the *content* of the industrial democracy action plans which affords rank and file employees the opportunity for involvement in problem resolution and work improvement. An improvement in passport application procedures or in the incidence of repetitive strain injury can be pursued by local work groups which would then pass on recommendations or findings to higher level union-management bodies. Yet it is the very existence of the requirement to submit annual action plans as an integral part of the overall strategic plan, and the pressure to engage the staff associations in this process, which is the best guarantor of continued grass roots involvement.

OTHER INDICATORS OF GOVERNMENT SUPPORT

A strong support network has been constructed to reinforce the change process. The Public Service Board, through its Industrial Democracy Unit, is placing a healthy emphasis on training, both in terms of management education and in the internalization of the value of industrial democracy. The Unit has produced a central core of training materials around which individual departments can build supplementary modules to match their own needs and conditions. This emphasis is critical in achieving the necessary understanding and implementation of the various requirements in the legislation.

In the same vein, the Government has committed itself to remunerating unions for travel costs and the preparation time of those officials and workplace delegates involved in the meetings of consultative bodies. Moreover, the Government has agreed to the use of departmental facilities such as secretarial services, photocopying, mail and telephones so as to enable the unions to function effectively and meet their obligations to the membership.

More generally, the internal power position of the staff organizations has also been enhanced. The Public Service Board recently issued a memorandum which unambiguously spelled out its own and the Government's encouragement of union membership throughout the Service[13]. Individual departments were advised to provide membership information to

13 Public Service Board, *Encouragement of Union Membership,* Canberra, 1 June 1984.

new recruits, to ensure union participation in induction and training courses, and to establish procedures to assist workplace representatives in identifying persons eligible to be members.

DISCUSSION

Staff involvement in personnel matters and working conditions in the Australian civil service dates back to the first decade of this century. While public sector collective bargaining rights are of more recent origin in Canada, paralleling the developments in its larger geographical neighbour, the extent of union membership within federal government employment in the two countries is equally high[14]. Moreover, efforts to encourage more direct employee participation, usually labelled as Quality of Working Life experiments, began at about the same time, in the mid-1970s. What accounts, then, for such a radical divergence in the operational development of the two systems over the past four or five years? How do we explain similarly difficult fiscal and labour market conditions giving rise to the *Public Service Reform Act,* on the one hand, and the *Public Service Compensation Restraint Act,* on the other? It is to these questions that I shall now turn.

Monat has argued that labour-management relations in the workplace reflect, to a considerable degree, the prevailing values and interest group relationships within the larger political and social environment[15]. Two environmental factors which I believe are relevant for the purposes of this analysis are the union power and political party variables. Approximately 57 percent of the Australian workforce is unionized, which suggests that developments within the public sector must also be seen within the context of union power within society as a whole. Such a case has been well made by Rose and Chaison in their analysis of divergent unionization rates in

14 Precise statistics for the civil service *per se* are not readily available, and must be estimated from the unions' self-generated membership lists. The union density rate in Australian government employment has variously been claimed to be between 70 and 90 percent. (See J.D. Hill, «Australian Union Density Rates 1976-82», *Journal of Industrial Relations,* December 1984; and the *Report of the Royal Commission on Australian Government Administration,* Australian Government Publishing Service, Canberra, 1976). The extent of union organization in the Canadian federal civil service also presents a definitional problem. Strictly speaking, the Rand Formula under the PSSRA turns the entire civil service into an agency shop. In other words, a small proportion of so-called «members» have a dues-paying affiliation only. One recent source gives the figure of 84 percent as the proportion of the total workforce represented by unions. (Jan MEARS and Lucie BRUNET, «Overview: QWL Activities in Canada», in N.Q. Herrick, *Improving Government,* Praeger, New York, 1983.)

15 J. MONAT, «Participation et structures politiques», *Travail et Société,* Octobre-Décembre 1983.

Canada and the United States[16]. The actual and potential impact of organized labour on the Australian economy has to be taken into account by any government. The willingness to use that power is reflected in the character of the union movement. Even public sector unions in Australia operate under an influential mythology of militancy based on the early struggles of the movement, whereas a union like the Public Service Alliance of Canada has been characterized as being «born almost entirely of legalism»[17].

A second important environmental factor would appear to be the political party variable. In Australia the party now in government is politically compatible with the union movement, much as if the New Democratic Party was in power federally. Perhaps just as critical is the presence of such a party as a viable alternative government even when in opposition. As a case in point, both countries exhibited an increasingly conservative trend after 1975, in Canada as manifested by the statutory incomes policy, in Australia by the election of the Fraser government. Although the Fraser government did introduce what many perceived to be anti-union legislation (the *Commonwealth Employees Employment Provisions Act,* which gave it power to stand down or dismiss public servants involved in industrial action), the legislation was continually challenged both inside parliament and by the unions in the form of work bans. In contrast, the fact that the affected Canadian unions acquiesced to the *Public Service Compensation Restraint Act* is a measure of the differences between the national situations. Thus, both of the environmental factors discussed shape what is possible and, in terms of prevailing values, what is considered to be reasonable.

Let me now pose the question of whether a Canadian Accord for the government employment sector is feasible. No definitive answer can be given, but we can point to certain tendencies which might be favourable or unfavourable to such a development. On the positive side, there is a history of considerable innovation in Canadian public sector labour relations, especially in experimentation with alternative techniques for the resolution of disputes. Additionally, there are notable examples of bipartite and tripartite arrangements, *e.g.,* joint task forces to promote the interests of particular industries, and the National Economic Summit in March 1985. Finally, as in Australia, the impact of technological change in the office

16 J. ROSE and G. CHAISON, «The State of the Unions: United States and Canada», *Journal of Labor Research,* Winter 1985.

17 L. PANITCH and D. SWARTZ, «From Free Collective Bargaining to Permanent Exceptionalism: The Economic Crisis and the Transformation of Industrial Relations in Canada», in M. Thompson and G. Swimmer (eds.), *Conflict or Compromise: The Future of Public Sector Industrial Relations,* Montréal, The Institute for Research on Public Policy, 1984, p. 419.

may become a practical subject around which co-determined programs can be launched. On the negative side of the ledger, the narrow scope of bargaining that is sanctioned by current legislation frustrates attempts to expand employee influence, no broad-based strategy has emerged out of the labour movement for how to approach «consultation»,[18] QWL experiments have been a notable failure with some evidence that they have been stifled by management,[19] and placing restrictions on labour rather than mutual restraint seems to have become the characteristic pattern of governmental policy. In the final analysis, whether any change is achieved will depend on the requisite political will being demonstrated by all of the actors involved in the system.

CONCLUSION

As industrial relations practices and structures in Canada become increasingly nationalized and less and less restricted by the limited options envisaged by the U.S. system on which they were originally based, the trend towards further experimentation can be expected to continue. The Australian public sector model, as well as other non-North American practices and experiences, provides ideas for expanding available options, with implications for public sector unions, management, and civil service commissions.

Any cross-national comparative study ought to cloak itself with caveats about different historical or cultural traditions. That has been acknowledged here. However, there is also a danger of over-drawing the differences. I pointed to the close ideological and personal ties between the political and industrial wings of the Australian labour movement. Yet, while the existence of this fraternal relationship may be a necessary condition in the development of a radical experiment with no precedent, it need not be the case when the experiment is already modelled elsewhere. The gains and mistakes made by the innovator are part of the luxury of observation. Comparison also serves to draw our current practices into sharper relief. The federal government as employer will have to determine whether the mix of coercion and consent in its dealings with its employees is a reasonable and

18 W.D. WOOD and P. KUMAR (eds.), *The Current Industrial Relations Scene in Canada, 1985,* Industrial Relations Centre, Queen's University at Kingston, July 1985, p. 226.

19 See C. JONES, «Major Obstacles to QWL's Development in the Canadian Federal Public Service», in N.Q. Herrick, *Improving Government,* New York, Praeger, 1983. It may very well be that the parties involved are still too close to the pre-bilateral, consultative era. «Bilateralness» as a behaviour may need more time to become fully internalized in the values of politicians, senior bureaucrats, and even union officials.

appropriate mix. Other interested practitioners and commentators have proposed, for instance, that Canada's public employment laws be made more flexible and that the scope of permissible subjects of bargaining be broadened[20]. This could be achieved through amendments to the *Public Service Staff Relations Act,* as has been commonly suggested, or by encouragement of a voluntary agreement through the National Joint Council as an appropriate existing mechanism for the extension of employee influence. While the preceding analysis of favourable and unfavourable forces does not suggest a strong basis for optimism that resolute action will, in fact, be forthcoming in the near future, the presence of the Australian experiment does behoove Canadian politicians, departmental officials, and union representatives to monitor it for evidence of its impact on institutional effectiveness and employee morale.

Les voies divergentes en matière de relations de travail dans la fonction publique au Canada et en Australie

Le présent article soulève au départ l'hypothèse selon laquelle l'évaluation comparative des relations de travail dans d'autres pays est valable pour une compréhension nouvelle de son propre système et de son utilisation. On a choisi de comparer l'Australie et le Canada à cause des nombreuses similitudes entre les deux pays. D'une manière plus précise, les gouvernements fédéraux des deux pays ont cherché à améliorer l'efficacité du fonctionnement de leur fonction publique respective. Cependant, les politiques d'emploi dans ce secteur se sont développées dans des directions différentes au cours de la dernière décennie. Par quels facteurs peut-on expliquer ce phénomène? Cet article met l'accent sur la description et l'analyse du rôle accru du syndicalisme dans les prises de décisions dans la fonction publique australienne et se demande s'il y a des leçons à en tirer pour le Canada.

À la fin des années 1970 et au commencement des années 1980, il y a eu renaissance de la faveur pour la démocratie industrielle au sein des ailes politique et économique du mouvement ouvrier australien. L'élection du parti travailliste en 1983 a donné des résultats immédiats. En 1984, le nouveau gouvernement a adopté la *Loi sur la réforme de la fonction publique (Public Service Reform Act)* qui a exigé de chaque ministère l'établissement et le maintien de projets d'actions démocratiques. Comme le concept l'implique, ceux-ci devaient être orientés en vue d'une action conforme aux déclarations de principe et réévalués d'une manière précise d'année en année. On proposait que des comités paritaires soient établis dans chaque ministère

20 See *Employer-Employee Relations in the Public Service of Canada: Proposals for Legislative Change,* Ottawa, Information Canada, 1974.

afin d'assurer l'application de ces projets. De manière typique, ces projets incluaient des ententes sur les mesures de sécurité, les technologies nouvelles, le partage des informations et une aide financière aux délégués d'atelier ou de bureau. Le gouvernement a de plus donné plus de mordant à ces mesures en encourageant la syndicalisation des employés fédéraux et en adoptant des dispositions de formation au travail et à la gestion qui mettaient en valeur les concepts et les pratiques de démocratie industrielle.

Le contraste avec l'état des relations professionnelles dans la fonction publique canadienne est aujourd'hui considérable. Alors qu'on dénotait un degré égal d'intérêt, par exemple, dans les expériences relatives à la qualité de vie au travail durant la décennie 1970, l'évolution des relations entre employeurs et employés a atteint un plancher avec l'adoption de la *Loi sur les restrictions salariales du secteur public* qui manifestait un tout autre esprit que celui que de la *Loi sur la réforme de la fonction publique australienne*. Deux variables en provenance du milieu peuvent être des outils d'analyse utiles pour la compréhension de cette expérience en sens opposé. La première réside dans la puissance du syndicalisme. Soixante-dix-sept pour cent de la main-d'oeuvre australienne est syndiquée, fait qui a une influence tant sur l'habileté des syndicats à utiliser leur force politique et économique que sur la tendance de tout gouvernement à s'en servir. Le deuxième est d'ordre strictement politique. La présence d'un parti dont la politique s'allie à celle du mouvement syndical et qui, même lorsqu'il est dans l'opposition, reste une alternative possible de gouvernement, conduit à une volonté de combattre toute législation susceptible d'être défavorable aux intérêts des travailleurs. D'autre part, la soumission avec laquelle les syndicats concernés au Canada ont réagi à la coercition que traduisait la *Loi sur les restrictions salariales du secteur public* est manifeste.

Idéalement, les hommes politiques canadiens, les hauts fonctionnaires et les représentants syndicaux devraient s'inspirer de l'expérience australienne, ne serait-ce que comme gage de son influence sur l'efficacité et le moral de la fonction publique. Toutefois, la possibilité de développements parallèles n'apparaît guère grande étant donné les restrictions actuelles dans l'application des négociations collectives et en l'absence de tout changement notable dans les attitudes de la direction et des syndicats en matière de consultations paritaires.