

FAIR WORK BILL 2008

Second Reading

[Mr ROBERT](#) (Fadden) (12.49 p.m.)—Thank you, Mr Deputy Speaker, for the opportunity to speak upon the [Fair Work Bill 2008](#). I acknowledge the member for Charlton, a previous secretary of the ACTU, at the government bench this morning. The coalition accepts that the Rudd government have a mandate for workplace relations change, as they proposed in their election policy last year. The coalition accepts that Work Choices is indeed dead; the Australian people have spoken. We acknowledge that industry stakeholders have supported many key elements of the bill. All of that is fact. We acknowledge that the matter of individual statutory agreements was dealt with earlier this year in the Workplace Relations Amendment (Transition to Forward with Fairness) Act 2008, and we have been advised by industry that the government's changes to provide individual flexibility in awards and agreements are indeed sufficient. All of that is fact—it is acknowledged—and on that basis the coalition will not oppose those changes. In totality the coalition will not oppose the government's Fair Work Bill in the House, but clearly we reserve our right to propose amendments to improve the operation of the bill, as we would with any other bill that moves through the parliament, following a standard Senate committee process—clearly, though, without seeking to frustrate the government's election commitments in its implementation of its Forward with Fairness policy.

History is a great teacher. The government is often heard speaking about the mining boom and the resources that flowed into the government coffers as a result. It is an inconvenient truth, though, that when the mining boom began the world had generally low stockpiles of resources, a very low exploration rate—in some cases over 15 years of neglect of exploration—and a sharp peak in demand. Purchasers of raw materials could have gone to any number of places across the globe to purchase raw materials, but fundamentally they chose Australia, for a range of reasons. One of them was that our industrial relations framework was, principally, flexible and allowed a range of behaviours to occur to maximise productivity. It made Australia a great place to purchase from, in contrast to other countries such as Brazil.

Changes to the unfair dismissal regime under the Howard government from which small businesses with fewer than 100 employees were exempt meant that small businesses would give Australians a go. Where they were unsure about the professional standing, the capacity, the education, the qualifications, the fit of a person, they would give them a go. All of this led to some amazing changes in the Australian economy. Between March 1996 and November 2007, more than 2.2 million jobs were created—fact. Of these, 1.2 million jobs were full time and almost 950,000 were part time. Indeed, between the introduction of Work Choices and November 2007, 438,600 additional jobs were created. There are currently well over 10.6 million Australians in work, a record high.

A debate on industrial relations cannot occur in the absence of the facts about what the previous government's regime implemented. The unemployment rate in Australia was 4.3 per cent in October last year—a 33-year low. It had been below five per cent for 21 consecutive months. In contrast, in December 1992 under Labor, the unemployment rate peaked at 10.9 per cent, leaving almost one million Australians unemployed. Long-term unemployment in August 2007 was 66,700. It was slashed by almost two-thirds under the Howard government, and that was 79.8 per cent lower than the peak in May 1993 under Labor at a seasonally adjusted rate of over 329,000.

Australians were given a go. The industrial relations framework in the country allowed for employment to be soaked up. The ABS national account figures highlighted that real wages have increased by 2.4 per cent since the introduction of Work Choices, and there

was a 20.8 per cent increase in real wages under the coalition, compared with a 1.8 per cent decrease under Labor. Australians had much to celebrate for the 11½ years of the Howard-Costello reign, and they have much to fear from the changes coming through under this workplace relations legislation.

The government's change comes at a very difficult time for the Australian economy. We take the government on trust that changes have been carefully considered and will not cost jobs. My only concern is that we took the government on trust with their unlimited bank guarantee, which we warned them against, that subsequently distorted financial markets. We took them on trust that wholesale term guarantees were not needed for banks, and of course they have backflipped and now put them in. We have taken the government on trust before, and it has come to grief. This is not a time when such moves can be imposed without the luxury of a strong economic buffer and robust business conditions such as those that existed under the Howard years. The Howard government's ability to get people into jobs and keep them there is without qualification and without peer. It managed and created prosperity and growth, with over a 20 per cent increase in real wages. The danger is that this may already be being squandered by this government.

We are gravely concerned that this bill, in setting the industrial relations framework back years, will have a significant impact on jobs. It will have a significant impact on job creation and particularly on economic certainty. The opposition will continue to focus on jobs. I note the government's budget in May forecast 134,000 unemployed. Its Mid-Year Economic and Fiscal Outlook increased that to over 200,000. The question for the government is now: what is your current unemployment figure? How many more jobs will be lost? I am especially cognisant of job loss in that one of my suburbs, Helensvale on the Gold Coast, has the highest rate of mortgage default by value, at 30 days in arrears, of any suburb in the nation: 7.78 per cent of homeowners in my suburb of Helensvale are 30 days behind on their mortgages. That is a tragedy. What would be worse is if, under this regime, they lost their jobs. Regardless of whether interest rates come down or not—although that is clearly welcome—if you do not have a job, you are unable to meet your budgetary requirements, such as your repayments on cars and houses. In a suburb like Helensvale, the result would be disastrous.

The coalition believes that, within this government's new workplace relations framework, union accountability must be maintained and unlawful behaviour must be penalised. I am aware that the Deputy Speaker ruled that the use of the term 'hypocrisy' was unparliamentary and not to be used in the chamber. I will avoid the use of the word 'hypocrisy' and instead rely on 'duplicity': saying one thing but indeed meaning another. It comes as no surprise to any Australian that this bill substantially deviates from election promises. It can only have done so to appease those whom Labor owes its largest and most profound election debt. The member for Charlton, at the table, would know exactly whom I am speaking about: the union movement.

Minister Gillard promised there would be no compulsory arbitration. She made it very, very clear on 30 May 2007 in a speech to the National Press Club:

Under Labor's policy there is no automatic arbitration of collective agreements.

On 3 September 2007, the now Deputy Prime Minister said:

... we've said in our policy, that there are a very limited number of circumstances where you need the industrial umpire to step in ... But in the ordinary course people who are collectively bargaining at their enterprise level, all of that bargaining will happen at the enterprise level, they will either strike an agreement or not strike an agreement.

On 17 September at the National Press Club, she continued:

Compulsory arbitration will not be a feature of good faith bargaining.

Yet, under pressure from the unions and, I am sure, under pressure from the member for Charlton, compulsory arbitration is back in. If that is not duplicitous then what is?

Minister Gillard also promised that there would be no pattern bargaining. She made the case again on 1 May 2007. She was asked by a journalist:

Pattern bargaining, is that actually going to be a reality under your policy?

And she replied:

That is completely untrue. Pattern bargaining in the sense of having industry wide action is unlawful under Labor's *Forward with Fairness* plans.

On 30 May she said:

Pattern bargaining is a term used to describe bargaining across the whole industry. That's not what Labor's policy is about.

On 14 June, in a speech to the CEDA State of the Nation Conference, she said:

The Minister and the Government will make all sorts of silly claims about Labor's system.

That it's about centralised wage fixing and arbitration—it's not.

That it allows for pattern bargaining—it doesn't.

On the *Today* show on 10 August 2007, Minister Gillard said:

The key claim in it is that Labor's industrial relations system is somehow going to have pattern bargaining in it and we've said time and time again that's simply not true.

Pattern bargaining is back in, Member for Charlton. It is back in by stealth. It was quietly ushered through the back door. It is back in because you made sure it was put back in. You made sure that no-one would notice. I suggest again that that is duplicitous: saying one thing and doing another.

We were promised that rules for unions getting entry to our workplaces would stay the same. Surprise, surprise! Minister Gillard said on 28 August in a joint press release with the Prime Minister:

Federal Labor will maintain the existing right of entry provisions.

It seems the duplicity continues to the high ranks of the Prime Minister. At a press conference on 28 August 2007 Minister Gillard said:

We will make sure that current right of entry provisions stay. We understand that entering the premises of an employer needs to happen in an orderly way. We will keep the right of entry provisions.

On 28 May 2008, in a speech to the Master Builders Australia industry dinner, she said:

We promised to retain the current right of entry framework ...

Duplicitous: saying one thing and fundamentally meaning and intending to take the opposite approach—a sleight of hand.

If one union member in a workplace claims that they have not been paid the right amount or that someone on the other side of the lathe, the workshop or upstairs is getting paid more than they are, if one union member makes an unsubstantiated claim like that, it is classed as a breach and the unions will be able to come in and legally get access to non-union-member records. Duplicitous! Minister Gillard and the Prime Minister said on 28 August in a joint press release:

Federal Labor will maintain the existing right of entry provisions.

The word 'hypocrisy' comes from the Greek word 'hypokrites'. It was a mask that an actor would wear to show that he was acting in some way that was different to him. It is interesting that Jesus used the word against the Pharisees. He also used the term 'whitewashed tomb'—that is, one thing is shown on the outside and something fundamentally and completely different is on the inside. Given that the word 'hypocrisy' is unparliamentary, I will stay with 'duplicitous'.

Even in workplaces where the employer and employees have previously agreed that they do not want unions, the unions can come strolling back in, as this legislation unlocks the doors of virtually all of our workplaces. This legislation will allow the unions to walk in and present the benefits of collective agreements. In fact, this entire bill revolves round collective agreements almost to the exclusion of all others.

In 1983, when the Hon. Bob Hawke took over as Prime Minister, the union movement was in its heyday. Something like 46 per cent of the nation was unionised. Now the number has reduced to under 25 per cent and for the private sector it is less than 14 per cent. A cynic might argue that this is simply a way for the union movement to once again try to reach the lofty heights of ascendancy. Without doing it by representing workers well and proving their value in the workplace, they are doing it through their political arm, the Labor Party, through legislation.

These are things that the Australian people did not vote for. The Australian people were expressly and explicitly told the exact opposite. They were told that many of these features would not be in any new legislation. It is ironic that secret ballots are now to be 100 per cent paid for by the government, whereas previously the union movement contributed one-fifth of the cost. The opposition have indicated that we will not frustrate the government's endeavours to implement the policy it took to the election, but as we have stated the Senate has work to do and we reserve the right to propose sensible and productive amendments.

The test for this government is very simple: will this bill help put people in jobs or will it put them out of jobs? The test is very simple. To determine how effective the test is is also simple. In 12 and 24 months time we will be able to see whether more people or fewer people are in jobs because of this bill. Will this bill create growth or will it hinder growth? Will it strengthen the labour market or will it weaken the labour market? Does it promote freedom in the market or is it oppressive in the market? Does it support the freedom of the individual to negotiate with an employer or does it force that individual into a collective space controlled by the union movement? The test is simple. Marking that test in 12 or 24 months time will also be simple. This parliament will give it a tick or a cross; it will be a pass or a fail. The first KPI and the last KPI will be jobs.

These are the tests for the Prime Minister and the Deputy Prime Minister. These are the measurements of success or failure. Jobs will be the yardstick that the Australian people will use to measure the frontbench of this government. It is no longer a question of what the opposition is going to do or not going to do. The question is: will the government deliver on its pledge to create jobs, to promote industrial harmony or freedom? Time will tell.

It is interesting that since November 2007, when this government took power, strikes have increased in this nation by more than 800 per cent. There has been an 800 per cent increase in strike action. The Prime Minister would have the nation believe that that is a normal part of the argy-bargy of industrial relations negotiations. Yet during the Howard-Costello years strike action was the lowest in almost 100 years. It has rapidly spiked up by 800 per cent. I think even the most casual of observers would realise that that has nothing to do with the argy-bargy of industrial relations but has everything to do with the union movement stirring and growing, grasping at the heels of the Labor government, searching for a relevance they could not find in simply representing ordinary workers and instead leaning on the Labor Party for the need for legislation. The opposition will hold this government to account. The yardstick will be jobs, the measurement will be jobs, and the failure of this bill will be the lack of jobs.