



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

**FAIR WORK (TRANSITIONAL
PROVISIONS AND CONSEQUENTIAL
AMENDMENTS) BILL 2009**

**FAIR WORK (STATE REFERRAL
AND CONSEQUENTIAL AND
OTHER AMENDMENTS) BILL 2009**

Second Reading

SPEECH

Tuesday, 2 June 2009

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Questioner
Speaker Robert, Stuart, MP

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Mr ROBERT (Fadden) (10.32 am)—I rise to speak on the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009 and the Fair Work (State Referral and Consequential and Other Amendments) Bill 2009. I wish to touch briefly on history, since we are speaking about jobs and fair work, look at the issue of awards modernisation and finish with some amendments that the coalition will put forward.

The Rudd Labor government inherited a record low unemployment rate in this country of just four per cent. Under the coalition, 2.2 million jobs were created—to the point where anyone who wanted a job could find it and to the point where so many people were employed we had a skills challenge. There were not enough workers for the jobs around. It was an enviable record considering a union-dominated France during the last 10 years of economic miracles could never get their unemployment below 7½ per cent. Unemployment in Australia is now somewhere around 5.4 per cent, with the government's own forecast increasing to 8.5 per cent in 2011. That will be one million Australians unemployed.

The Labor government will tell us that making jobs is their No. 1 priority. It is the new slogan. Jobs for Labor, I guess, are the new black. I look at my electorate in Fadden and I see how well they are doing. I look at Riviera, the largest boatbuilding company in the nation. It once had 1,000 employees but is now down to just 300. The new CEO, John Anderson, over the last 12 months has done an amazing job in getting lean manufacturing, in pulling almost \$10 million per annum of costs out of the business and in doing everything he can do to support jobs and ensure the company remains viable. He is truly one of the great marine CEOs in the country. I have met with him numerous times. On his behalf, I have twice spoken to Minister Kim Carr personally to get some support but got nothing—no support at all for the largest boatbuilding company in the nation—and yet \$6.2 billion goes to the automotive industry. Heaven forbid if Holden and Ford were to hiccup. But for the boatbuilding industry, and especially the largest boat building industry, there is nothing.

So when Labor spruiks about its 'new black' of jobs, forgive me for my degree of cynicism when I look at what is happening in the electorate of Fadden

and Labor's silence on what is happening job-wise. We have said previously that the Fair Work Act is bad law. It gives enterprises and companies a raft of reasons not to grant jobs to Australians and it encourages employers not to employ Australians. It is a bit like that anathema of payroll tax. It is an act that penalises and stops innovation. It discourages workers and businesses from talking directly to each other. It almost demands that big unions and the big industrial umpires get in the way. The legislation is job destroying. Sure, it meets all the union goals of growing union membership and growing union dominance but it has little to do with jobs. There is no doubt that, with Labor's other botched, bungled and badly thought through policies that have already seen something like \$315 billion worth of debt being saddled to the Australian economy in the forward years, this legislation will make our economic recovery more difficult.

The best example of the worsening effects of Labor policy can be seen with award modernisation. On the surface the concept was good and the former Howard government championed it. The intent of reducing the current tens of thousands of awards and their categories down to a couple of hundred is laudable. Indeed, if you look at the range of awards and the range of categories within awards, I think the number is something like over 110,000 different types of awards and categories. For national companies to operate in such an environment is patently and clearly ludicrous, so reducing awards to something more simple makes sense.

For example, if we take a transport company in the state of Queensland, they could be subject to 10 to 15 different awards, and each award may have six or seven categories. There could be 100 different awards and categories just in the state of Queensland alone, let alone in other states and territories across the country. Each award contains different provisions including varying allowances, penalty rates and different hours of work provisions. The complexities are large. Having run a national company before coming into parliament I can attest firsthand to how different laws, different rates and different awards across the states make business difficult. Modernising them makes sense and

the award modernisation process certainly makes some sense; it is admirable.

As different states come together with their awards, the problem has started to play out. For example, a waiter in New South Wales under the New South Wales waiters award might get a penalty rate on a Sunday of 50 per cent extra pay. A waiter in South Australia might only get a penalty rate of 25 per cent. As the union-dominated Labor Party move to streamline and modernise the awards, they are looking at taking the top rate. So suddenly the penalty rate for waiters nationally will have a 50 per cent loading on a Sunday. Clearly the cost to business will be absolutely enormous. The Deputy Prime Minister has already made concessions to the restaurateurs and caterers areas to exclude them from the current hotel awards because of the punitive action that would then have.

When the member for Stirling spoke this morning he said, 'Unions and enterprises alike have described the award modernisation process as soul-destroying, rushed and nightmarish.' The minister's own award modernisation request promised that no-one would be disadvantaged and that there would be no increased cost to business. That was her promise to the Australian people. The question is: how has the Deputy Prime Minister lived up to that promise? The answer is: award modernisation will bring a massive increase in costs to business. It will bring massive cost increases at a time when business cash flow is of paramount importance and when businesses are struggling to survive, to grow and to employ Australians. If the cost to business increases there is only one logical outcome—businesses will cease to invest in technology and equipment. They will cease to expand or they will cease to employ. There are no other possible outcomes. The evidence would seem to indicate that businesses may have to pay workers amounts of up to 50 per cent extra.

Whilst the shadow minister, the member for Stirling, has indicated we will not oppose the bill, we will be seeking to move a range of amendments to the bill to remove some of the soul- and job-destroying elements of it. We believe, as the member for Stirling indicated, that all people in a workplace—and I mean all, not just those in a union and not just those the unions wish to be players; all people, workers and enterprise alike—are entitled to have a say on what happens in a workplace. People should not be bulldozed and railroaded by one sectional group, in this case the union movement. We therefore propose to amend the bill to ensure that fairness is a concept that extends to all parties other than just the union movement.

This bill also deals with the interaction between the National Employment Standards, the NES, established under the Fair Work Act and the existing transitional instruments. We propose to amend the bill to ensure

that the NES can universally apply but in a manner that does acknowledge detriment on a global basis. We recognise and believe in real fairness and that should be taken into consideration. All parties should be considered and fairness should extend to all parties. We will seek to move amendments to remove the job-destroying aspects of the bill. If we are to go back to a time of full employment, if we are to move back from the precipice the current government is taking us to of one million unemployed, we need flexibility in the workplace, and there is very little in this bill that demonstrates the requisite flexibility the nation so desperately needs.