



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

Main Committee

APPROPRIATION BILL (NO. 3) 2004-2005

APPROPRIATION BILL (NO. 4) 2004-2005

**APPROPRIATION (PARLIAMENTARY
DEPARTMENTS) BILL (NO. 2) 2004-2005**

Second Reading

SPEECH

Tuesday, 8 March 2005

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Speaker O'CONNOR, Brendan, MP	Question No.

Mr BRENDAN O'CONNOR (Gorton) (7.22 pm)—I am very happy to follow the member for Lingiari's contribution. It is fair to say this government has failed in relation to Indigenous policies. I would like to touch upon another area which reflects the contempt and ignorance this government displays when it comes to a large part of this society—that is, the working men and women of Australia. This afternoon we had the Prime Minister attempting to convince those who were listening that this government cares for the men and women who are the backbone of Australia's economy, but we know this Prime Minister and this government have been antiworker since their election in 1996. We know that from that time on, this government has attempted to diminish and destroy any entitlements afforded to employees in their workplaces and, in some cases, has succeeded. We also know a number of bills went through the House of Representatives last term but failed to find passage through the Senate.

We are all aware that things will change in July this year when the Senate delivers to the government, by virtue of an election, a majority in both houses. We are well aware this is the first time we have seen a majority in both houses in this country at the federal level since 1981. Along with others in this place and the working men and women of Australia, I will be looking at the way in which this Prime Minister and the government's minister for workplace relations deals with the IR agenda.

We know what Prime Minister Howard's agenda for working people has been since he entered this place in the mid-1970s. We are well aware of his views about unions, collective bargaining and unfair termination by employers. His contempt for the Industrial Relations Commission is on the record, as are his views on Medicare and many social institutions. His views about the AIRC and the rights of employee organisations are extreme. Indeed, he is matched by his Treasurer. We are well aware that the Treasurer made his name—cut his teeth—on industrial relations cases in the mid-1980s. In late 1986, Mr Costello, then a barrister representing an employer, argued before the full bench of the Australian Industrial Relations Commission that all employees be paid no more than \$171 each, with no other wage increment involved, and that each employee in the land should individually negotiate with their employer anything beyond that point.

It so happens that, at that time, \$171 was well below the poverty line, but that did not stop Mr Costello from pursuing that argument on behalf of a pretty phoney employer body with very few affiliates. That was the Treasurer's view in 1986. Almost 20 years later, if this government allows the extremists in the employer groups to have their way, Mr Costello's submission to reduce people's wages down to the poverty line and to have them negotiate individually upwards could come to fruition in the not too distant future. Certainly a system could be put in place to bring about the eradication of awards as we know them and the eradication of every classification point in any award except for the minimum rate of the country. By virtue of other legislation, the commission could be compelled to prevent safety nets from being applied to that rate, and it could fall below the poverty line. Further to that, Australian workplace agreements—that Orwellian term: neither Australian nor workplace and rarely agreements—will proliferate throughout the country if the government has its way.

We are well aware that the Prime Minister's 'challenger to be'—the K-Mart Keating, the one who might challenge if he had the guts but we know he doesn't—has to keep some of his very few supporters on side. Those two senior members of government, the Treasurer and the Prime Minister, have an enmity towards working people and their capacity to collectively bargain. Their views are extreme compared not just with the Labor Party's but with the Liberal Party's position historically.

We are well aware of the Liberal Party's views for the past almost 100 years. The Liberal Party supported a system of fairness and a fair and reasonable wage. I do not recall Menzies ever attacking Justice Higgins' decision that there should be a fair and reasonable wage in this country. Justice Higgins, in the Harvester judgment in 1907, laid down the basis for our social wage, which reflected not only a decent outcome but also part of our culture. He was attempting to synthesise what people had come to believe in—a fair go. That ethos developed in the mid-19th century. In 1907 Justice Higgins summed up that matter by saying that working people deserved a fair and reasonable wage. He did so and that view has been held ever since.

We should also remember that Justice Higgins's decision was based upon a provision of an act of the second parliament of this nation. That act of parliament, the Conciliation and Arbitration Act, established the Commonwealth Court of Conciliation and Arbitration, the then title of the federal commission. That act was supported in many instances by people who would see themselves as liberals in the traditional sense. That decision stood us in good stead.

I am a great believer in the fact that we had to change the system. I hold the view that we had to make the system more flexible. I have had arguments at every level—at the workplace and at other forums—about that matter, but I believe that there had to be some change. The Labor Party in the 1980s were right when they said that there had to be some level of devolution—that there had to be a capacity for employers to bargain at the workplace level with their workers. I agree with that. But I also believe that, when you set in train a capacity to devolve the system to allow employees to negotiate at the local level, you must also have some protection for those same employees.

I do not think that is the intention of this government. That is what really worries me. I compare this government's views not with my own but with former Liberal governments' views in relation to what is fair and reasonable. The Treasurer already foreshadowed almost 20 years ago his views on creating a minimum wage. An article from the *Canberra Times* in 1986 said:

Melbourne barrister Peter Costello presents the AFE submission to the national wage case hearing ... called on the Arbitration Commission ... to cut the minimum wage to \$171.30 a week. Mr Costello told the wage case full bench that the commission should allow employers and workers to negotiate directly for increases above the minimum.

Effectively he suggested that we should have one single rate nationally—of \$171, which I said earlier was below the poverty line—and everybody had to negotiate individually upwards. That was his dream; that is what he would like to see happen. Indeed, the Prime Minister has a similar view, as we know.

Against that backdrop, it is important for us to understand the extent to which this government will go to wreck a system that we have had in place since the beginning of last century. How far will this government go to strip away from the system what have been fundamental entitlements of workers now for 100 years—to strip away the ethos of the fair and reasonable wage that was enshrined in the 1907 Harvester judgment and to effectively take away the rights to collectively bargain in a fair way?

I am also most concerned by the current minister's views on that. When we saw Minister Andrews succeed Minister Abbott as the Minister for Employment and Workplace Relations, I thought, 'Maybe here is an opportunity for this minister to depart from a very radical position taken by his two predecessors—Minister Abbott and Minister Reith.' I was hoping that this minister would at least show some temperance, some moderation, some balance and some thought for working people. The most important part of the economy, in the end, of course, is always the working people of this country. Unfortunately I came across this quote. Others, I am sure, have already seen it, where the minister effectively said that we might have to be careful about fairness. He said:

... as the Business Council of Australia recently argued, an emphasis on fairness only leads to regulatory excess ...

He talks about an emphasis on fairness. Minister, we want to know whether there is going to be a presence of fairness and whether there is going to be an existence of fairness—not an emphasis on fairness. Indeed, if the government continues to strip away the entitlements of working people—by making it almost impossible to negotiate properly a collective agreement by allowing the employer to refuse to bargain; by not allowing the umpire—the Australian Industrial Relations Commission—to involve itself in at least assisting the parties to come to terms with an agreement; and by introducing AWAs which are not transparent, which are oversighted by the Employment Advocate and where nobody gets to scrutinise whether in fact the agreements are disadvantageous to the employee—without any balance or protection for working people then I think we are definitely at a tilting point. We are at a point where the Prime Minister and this government have shown an utter disregard and contempt for working people in this country. It is up to this government to see whether it can temper its own excesses—I am not confident that it can do that.

I have talked about some of the broader issues and historical matters that are important in the overall context of this debate, but what gets lost is the issue of what the priority should be when you are looking at regulating. I agree that you do not regulate for the sake of it. I consider that in a capitalist system there is a need to regulate, whether it is about regulating occupational health and safety or the rights of employees, small business, other

bodies and citizens. That is the reality. No-one would want to see the outcome of a purely laissez-faire capitalist system because clearly that leads to monopolies and to enormous social and economic disadvantages for the majority of people. We have come to understand that—it is a pretty basic point. My priority in this matter is the millions of people effectively on the poverty line, barely able to afford to put food on the table, to pay for a mortgage or to pay rent to their landlord. That is my concern. I am not worried about union officials. I am not worried about an affiliate union giving money to the ALP. I am worried about those unionised, non-unionised, collective and non-collective arrangements that occur in workplaces which can leave people impoverished and a large proportion of Australian families struggling to make ends meet.

We know there have been some economic indicators that are very positive for this country and I applaud the government in areas where they have succeeded. There is no point disregarding reality when there are positive things to say about matters. I am happy to see the reduction in unemployment—of course we should all be—and it would be churlish to say otherwise. I am happy to see economic growth—the capacity for people's incomes to grow. Of course those things are important. But there is a large proportion of this society that has missed out, and there is no point putting a post 1996 date on that fact—it has happened in Labor terms as well as, certainly, since this government was elected. When you have been around for almost 10 years you have to start taking some responsibility for what might have happened in the last decade. That is what happens. For the first two terms of this government all we heard about was what happened in the 13 years from 1983 to 1996.

Let us talk about the period from 1996 to 2005. Since 1996, whilst there has been some growth in employment, there has been a significant increase in casualisation of the work force. When you are a casual employee—and I am sure there are some in this chamber who have been casual employees—you do not tend to get a home loan very easily. You do not tend to get too many things that you might want. You may not even be able to get a credit card, not that they are always good for you.

The other problem we have had in relation to employment growth is that there has been a significant increase in part-time employment. That is not necessarily a bad thing. Part-time employment may well be the type of employment that many people want, and that is fine. We know about people wanting to opt for part-time employment. But the government defines part-time employment as someone having one hour a week under the current statistics used by the government. I am well aware of the fact that many part-time employees are desperately seeking further work. We know a large part of the Australian work force are struggling to make ends meet and are effectively on the poverty line while working 38 to 40-plus hours a week to look after their families—and in some cases working 60 or 70 hours a week in the household to pay their mortgages and so on—then we know that things are not that easy for them. We also know that they are not the beneficiaries of the changes that have occurred, when compared to others.

I heard the member for Brisbane talking earlier about the ratio between the CEOs' wage increases since 1996 and the increases of people on average weekly earnings. There is a vast difference, with those people at the top end receiving greater sums in real terms but not even proportionate to their incomes. When a government considers removing the minimum wage or removing the capacity of the commission to make an order to allow for that minimum wage to increase, and when legislation is being introduced to the House that will compel the commission to not pay that minimum wage increase to certain people on the lowest rates in this country, then you know you have a government that has no regard for the lowest paid people. You know you have a government that has no regard for those working people. The battlers that this Prime Minister has boasted about are not, in the end, people he cares about if he continues with his very pernicious agenda to destroy the IR system and leave these people at such peril.