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Appropriation Bill (No. 1) 2013-2014

Second Reading

SPEECH

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Speaker Broadbent, Russell, MP

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Mr BROADBENT (McMillan) (16:44): I rise to speak in the Appropriation Bill (No. 1) 2013-2014 second reading debate. Australians have great opportunities ahead of us, many of them bestowed upon us by a country abounding in natural resources. But we also have some steep challenges. Some of them, like the high Australian dollar and vestiges of the global financial crisis, are not of our own doing. Too many, though, are incumbent upon us by a government treading through a quagmire of its own incompetence.

Australians are being short-changed by a government more desperate to preserve its own power than to help this great south land to prosper. The Gippsland region puts in far more than it gets out of state and federal economies, whether it is 24 per cent of the nation's milk output, 25 per cent of Victoria's beef production, nearly 90 per cent of Victoria's power generation or more than 60 per cent of Melbourne's fresh water. In McMillan we grow and make and power things. McMillan is the main street of Australia: it is where generations of families settled after World War II to make their homes, start their businesses, grow their farms and build their own towns and communities. Whether I am talking to a group of kindergarten mums in Korumburra, tourism businesses in Warrigal or mechanical engineers at a power stations in the Latrobe Valley, my constituents tell me they want a government that believes in them and that will not stand in the way of their aspirations.

McMillan is now broaching another chapter. With our large expanse of agricultural land, churning coalfields and rolling hills, our region is welcoming a new generation of families: young families who want to start a new life for themselves in Pakenham or Drouin and older folk who want to find a place to enjoy their twilight years. To sustain this we need new hospitals, safe roads and investment in business from government. Yet in this federal budget, despite a largess becoming of a king's ransom being delivered to marginal Labor and Independent seats around the country, not a single dollar spilled over from this pork-barrelling feast into McMillan. Not in the West Gippsland Hospital, not on the Warrigal-Korumburra Road, not on the Korumburra kindergarten, not in Leongatha, not in Wonthaggi, not in Inverloch, not in Drouin, not in Thorpdale, not in Trafalgar and not in Moe. Not even the Long Jetty.

In fact, after this government had gone in for a smash and grab on the power stations in the Latrobe Valley, the very ones that provide nearly 90 per cent of the energy that keeps Victoria's lights burning, this Gillard-Swan government then gutted the Latrobe Valley transition fund. That is the fund established between Regional Development Victoria, Minister Peter Ryan and his former federal counterpart Simon Crean. Both men are passionate about regional Victoria, and both recognise the untold damage that would be unleashed on the Latrobe Valley by ripping the coal industry from under their feet. For the Latrobe Valley, the carbon tax really was arbitrary destruction of shareholder wealth in those power generation assets and the callous disinterest in the thousands of jobs that that industry sustains. The transition fund was the cushion designed to slow the fall, buying time and a buffer of support for the power stations and reliant businesses and jobs to adjust.

Buried on page 37 of the Regional Australia, Local Government, Arts and Sport budget papers is confirmation that the Latrobe Valley can now expect an average of less than \$2 million per year over six years in the federal government's supposed support for the region's transition to a cleaner economy. As the *Latrobe Valley Express* reports:

Buried somewhere in the most recent federal budget papers was a figure of \$15 million, to be spread over six years, for the Valley's structural adjustment as it moves to a low-carbon economy ...

The *Express* also picked up that this government was trying to squeeze itself out of the \$200 million specifically set aside for regions expected to see power generators close under the government's now abandoned Contract for Closure process. This government is now trying to squeeze itself out of that obligation, and my good friend and colleague the member for Gippsland has noted this, saying that the Contract for Closure conditions were a caveat they added later just to get out of it. Rightly so, given the government's Clean Energy Future website refers to:

... assistance supports workers, regions and communities that remain strongly affected by carbon pricing after other forms of assistance have been provided

It does not mention Contract for Closure. If the Latrobe Valley does not fit that definition, then no region in Australia ever would. That the federal government can try to justify reducing support for Latrobe Valley by inferring that regions have not suffered unduly as a result of the carbon tax is an absolute furphy. The carbon tax has had a massive impact on the Latrobe Valley region, on the region's confidence and on the confidence of local business to make investment decisions, which, by the way, they are not making but just holding off on. The government is being dishonest with itself, with its leadership, with the numbers in this budget and with the Australian people by trying to perpetuate this furphy.

There is another injustice that the government is prolonging for businesses and workers in this nation that I want to address, and that is the bludgeoning of small business away from growth, investment, ingenuity and job creation. Weekend penalty rates are being used as a blunt instrument against small businesses, particularly in the tourism industry in regional areas. My longstanding view on this issue was reinforced a couple of weeks ago when I met with about a dozen small business tourism operators from across West Gippsland. These are really iconic Gippsland businesses, which are renowned for their food, wine, hospitality and uniquely exquisite views. One of these businesses, which is just outside of Warrigal, hosted the former Minister for Tourism Martin Ferguson, when, last year, he had the good grace to go there and announce a successful T-QUAL grant. Like his other former portfolio areas of energy and resources, Martin Ferguson knew and understood business and industry, and those sectors trusted and respected him for that.

These small businesspeople are not mini moguls requiring a largesse of profits, as those on the other side would have you believe. They are not making huge profits. They are not seeking to pay a pittance to their workers, even though they often pay that to themselves. They are decent people who demonstrate real ingenuity towards their business operations. People visit this area for lunch or to get away for a weekend—whether to Foster, Fish Creek or Warrigal—and they come back again and again and again. These dozen or so small business and tourism operators and I met recently, and this is what they said to me: 'Russell, weekend penalty rates are killing our businesses. They stop us from putting on more staff. They create bad morale between full-time staff who work to one wage level and the staff who choose to work a couple of hours on the weekend because it is substantially more. This means we do not have enough left over to put back into the business, to make it bigger and better and more sustainable.'

In Gippsland, as in many regional areas, the majority of tourism business comes at the weekend. This is great for students or even for mums or dads who may not be able to work during the week. It suits them to be able to work a couple of hours on the weekend, when they have to be at university or doing a school run from Monday to Friday. But penalty rates set up a two classes of workers—those who work from Monday to Friday and who do a full week for an award wage and those who choose to work those couple of hours on the weekend for an all together better wage. This means that a teenager working for a few hours a week can be paid up to \$29 an hour to wash dishes. You can imagine how that would go down in any workplace. It shows a complete disregard not only for the needs of the business but also for the modern realities of today's communities and workplace environs, where choice and flexibility are as important for the employer as they are for the employee.

There is another quintessential Gippsland industry that is being hindered, not helped, by this outdated approach to the modern workplace, and that is our dairy industry—the backbone of Gippsland's economy, where our fortunes ride more on a Jersey cow's back than on a sheep's back. These antiquated penalty rules mean that you cannot employ someone to do less than three hours of work a day, even though milking takes only an hour and a half. The Gillard government is ripping off our dairy farmers by effectively forcing them to pay twice the cost for half the output. There is a potential caveat in these penalty rules which means that, if the work being undertaken is an essential service, the three-hour rule can be overridden. For animal welfare, economic necessity and farmer wellbeing, dairy milking should be retitled as an essential service and be made exempt from these ridiculous penalty rules. These rules mean that a high school student who wants to squeeze in one or two hours of work between their time after school and their VCE study at the local hardware shop cannot, because Bill Shorten says that it is exploitation, not education. I have to note, though, that only last month Bill Shorten was on the ABC radio's Rafael Epstein program, and he did concede that regional tourism operators may warrant being a special case. I can only urge the minister to further develop his consideration of the tourism sector as a vital regional economy and to add to it that the dairy industry is an essential service.

McMillan, as I said, is in the main street of Australia. It is at the economic heart of Victoria, and it is being sorely deprived of the realisation of its full potential by this Prime Minister. As I said to my local branch meeting last week, if the Labor Party do not change the Prime Minister in June then we will change the government in September. Australia deserves so much better.