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MATTERS OF PUBLIC INTEREST

**Minister for Employment, Workplace
Relations and Industrial Relations**

SPEECH

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Senator JACINTA COLLINS (Victoria) (12.53 pm)—Today I want to address two issues which both relate to the Minister for Employment, Workplace Relations and Small Business. Firstly, I would like to deal with a myth concerning the minister; that is, that he is a star performer of this government. Secondly, I want to consider the issue of his saying sorry. The minister proffered an apology to all parliamentarians on Monday over their poor public image arising from the telecard affair. However, I want to suggest today that the minister should apologise to the workers of Victoria.

Firstly, I go to the star performer issue. The Minister for Employment, Workplace Relations and Small Business has based his career in this place on illusion. In the other place in days gone by barely a question time would pass without the minister swaggering to the dispatch box to proclaim his wealth of policy, his breadth of reform and his depth of achievement. 'Good productivity figures,' he would say. 'It was my reforms.' 'Balance of payments: coming up roses. Couldn't have done it without Patricks.' But remember the balaclavas and the dogs. Jobs growth? With respect to changes to the Workplace Relations Act in 1996, according to Mr Reith the country has him to thank for them. Thanks indeed! We should not be conned by this illusion. In spite of the carefully constructed image of a vibrant and active minister, working his portfolio hard, the truth is that industrial relations is an area of real policy paralysis—for this government, in particular. In this minister's case, the truth is that he is batting zero.

With the exception of the Oakdale miners legislation, which this minister did not want, not one piece of legislation has gone through unamended this year or last, and the number of complete legislative flops seems to be growing daily. This minister's great opus, the More Jobs Better Pay bill, is languishing on the *Notice Paper*, the unfair dismissal 'reforms' are gathering dust, the most recent half-hearted attempt at getting something up on secret ballots and the Australian workplace agreements legislation does not appear to have succeeded in this place, and the pattern bargaining legislation—the much vaunted strike against the evils of militant unionism; if anyone remembers that—seems to have been forgotten by the minister. But, strangely, this minister seems to think that his legislative impotence is a badge of honour. It is as if it is a sign of his ideological purity. He has made whingeing about his lack of legislative success his favourite hobbyhorse. No better example of this exists than his 13 July press release detailing the alleged sabotaging of his industrial relations agenda by the Democrats—all 27 pages thereof. Perhaps if he concentrated on substantive reform rather than on this sort of illusion he would do a better job. But Minister Reith's real problem is that there is a lack of general support from the community and from business for many of his ideological reforms.

In this place, though, what do we get? In the place of legislation we get what I would regard as policy threshing in the form of many discussion papers. The minister has become someone I would characterise as 'discussion paper Pete': so much as look at him, and he will fire another one at you. And what a wonderful thing these discussion papers are! The minister's discussion papers have got all the trappings of constructive activity without any concrete outcome. At the last count there were 16 discussion papers littering the minister's web site. This includes his most recent release: a proposal to create a unitary industrial relations system using the corporations power. This is supposed to be the centrepiece of the minister's legislative program leading up to the next federal election. However, given his record, any real outcome in this area is most unlikely.

This leads me to my second point—the ministerial apology. As I mentioned earlier, on Monday the minister apologised to the parliament for bringing us all into disrepute. I thank him for his apology, but it is not only his colleagues he should be apologising to; on that same day, during the same question time, the minister drew attention to his greatest policy failure: the disgraceful condition of workplace relations in Victoria, the beachhead of his national unitary system. The timing was priceless. In answer to a dorothy dixer, the minister lambasted the Victorian government for their announcement that they will try to reintroduce a state industrial system. Those of you unfamiliar with the evolution of Victoria's industrial ghetto may recall the referral, in late 1996, of Victoria's industrial relations powers to the Commonwealth by the Kennett government. The minister for workplace relations will no doubt recall it. At the time he welcomed the referral of Victoria's industrial relations

powers to the Commonwealth in the most extravagant of terms. This is what he said in the other place on 13 December 1996:

This bill ... provide(s) a simpler, cooperative industrial relations system in Victoria which benefits employees and employers and the wider community ...

And a little further on:

The Commonwealth and state legislation marks a highly significant point in the evolution of Australian industrial relations. It is also a very substantial step forward in micro-economic reform. In the development of the Australian constitution, apart from income tax matters, it would be hard to come up with an example of greater significance than the transfer of power from a state to the Commonwealth. This referral demonstrates how state and federal governments can fundamentally transform the traditional relationship between their often-competing jurisdictions to the immense benefit of the nation.

There is no doubt that the referral from Victoria to the Commonwealth was made possible by the political events of 2 March, with the election of the Howard government and the subsequent passage of the Workplace Relations Bill. Just as importantly, this reform helps businesses and workers to enjoy far more productive workplace relationships.

The minister later went on to say:

In short, these arrangements will do much to give employers and workers in Victoria greater control of their working relationships without the distractions and jurisdictional problems which occur where there are potentially two sets of rules relating to them.

After the self-congratulations were over, more than half a million Victorian workers were caught in a system that guaranteed five conditions of employment contained in schedule 1A of the act. These five conditions are: four weeks paid annual leave, one week paid sick leave, a minimum wage, unpaid maternity and paternity leave, and notice of termination or compensation in lieu. But we need to know that, for many Victorians, those five guaranteed conditions comprise the entirety of their conditions of employment. It just does not get better than those five. Now that was 1996. In 1999, the Senate Employment, Workplace Relations and Small Business Committee had the opportunity of hearing from Victorians the effect of this so-called reform. Jobwatch told us at the time that in Victoria a parent was not guaranteed the freedom to attend their child's funeral—that it is not a statutory entitlement. There were many other instances and examples contained in the committee's report. That one is perhaps the most stark.

Since the inquiry, the evidence supporting the need for change in Victoria has mounted. Now we have an independent assessment of the practical results of Minister Reith's grand vision. Sydney University's Australian Centre for Industrial Relations Research and Training was commissioned to do a report for the Victorian government's industrial relations task force. I want to take senators to a couple of points in this report. At page 25 of the report it states:

... only two factors were good predictors of whether a workplace was in the low wage category: being an agricultural workplace and having Schedule 1A coverage. The odds of being in this low wage category ... were two times greater for Schedule 1A workplaces.

That is, compared with federal work places.

In other words, after controlling for a wide range of factors, it appears that industrial coverage is an important predictor of whether a workplace will pay low minimum rates.

Minister Reith's system has delivered low minimum rates. At pages 28 and 29 of the report it notes that the other key dimension of employee remuneration is the payment of various employment benefits in the form of loadings. It states:

While each of these benefits is standard amongst employees with Federal coverage, their availability to employees with Schedule 1A coverage is exceptionally limited...

Less than one quarter of Schedule 1A workplaces pay penalty rates for working on weekends...

Shift allowances are the least common form of benefit paid by Schedule 1A workplaces. Only 6 per cent of such workplaces paid their employees shift allowances...

Unlike Minister Reith, the Bracks government has announced a concrete proposal to deal with these injustices. It has produced a bill which, if passed, will address the ghetto of Victorian workers created by Minister Reith and

Mr Kennett. Even those one would normally expect to see supporting Minister Reith are in fact supporting the Victorian government's proposal. One of the Howard government's own legal advisers, the firm Clayton Utz, has come out saying that the Victorian government's proposals would have 'no unreasonable impact' on employers. To quote Mr Graeme Smith from Clayton Utz:

The scheme of the proposed legislation will, in our opinion, operate appropriately side by side with federal industrial legislation, awards or agreements.

And it is not only the lawyers and the unions who are supportive of the Bracks government's IR bill. Listen to the comments from the *Age* editorial of last Monday, 30 October:

Victoria has weakened its capacity to influence outcomes in the states workplaces. ... Essentially, under the present arrangements, the state is sidelined, able to exhort from the margins but without any real powers to intervene. As was shown during power blackouts earlier this year, this was unacceptable ...

As well, many thousands of Victorian workers have been left without award protection by the closure of the state system, slipping between the cracks of the federal system. ... This too, is unacceptable, leaving some Victorians prey to unscrupulous employers.

... business must accept that Victoria will be able to make the most of its opportunities in the new economy with a workforce that is highly skilled, fairly paid and legally protected.

Clearly, an apology is called for in this situation. This minister needs to apologise to the working men and women of Victoria, to their children and to their relatives, for the appalling situation in which he has left those Victorians who rely on schedule 1A conditions and for the damage that has been done. He should apologise to these people for a monstrous and inexcusable dereliction of his duty as minister for workplace relations. And, instead of whining about his lack of legislative success or sniping from the sidelines at the Victorian government's attempts to redress the situation in my home state, the minister for workplace relations should consider why his legislation keeps failing. If Victoria's experience is a model for a coalition unitary industrial relations system, it will be no surprise if his proposals receive no community support. Victoria is a stark demonstration of the point made by the commentator Kenneth Davidson in the *Age* of 26 October that the cost of Minister Reith's IR agenda makes his telecard bill look trivial. Ideological extremism is not what is needed here, Minister; reasonable, supportive and realistic proposals will go a lot further.