



**Sharon Grierson MP
Federal Member for Newcastle**

**20 February 2008
SECOND READING DEBATE**

**WORKPLACE RELATIONS AMENDMENT
(TRANSITION TO FORWARD WITH FAIRNESS) BILL 2008**

Ms GRIERSON (Newcastle) (1.09 p.m.) - I rise to support the Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008, which is the first step in abolishing the former government's unfair and extreme Work Choices laws. I have just heard the member for Canning speak on this bill and I must take him to task on one comment, and it is a fairly salient point when you look at the former government's inability to understand just what Work Choices did to people. He mentioned my colleague the member for Charlton, Greg Combet, and his maiden speech. Mr Combet said that, after the ACTU's advertising campaign, 60 per cent of the public were very much behind the campaign. The member for Canning said that that represents the power of scaremongering. It was not a scaremongering campaign. When 60 per cent of Australians switch on because of an advertising campaign, it is because the campaign links in to their real beliefs and experiences and to their understanding of the threat to their livelihoods. That is why that campaign was so successful - because out there millions of workers around Australia identified with those sorts of threats and insecurities and they did not want it to happen, not just to them but to their kids, their family members, their neighbours and their friends. So I congratulate the ACTU and my new colleague Greg Combet on the work they did.

It is absolutely undeniable that three months ago, on 24 November 2007, the Australian people voted a resounding no to Work Choices. In doing so, they voted for change and elected a Rudd Labor government - a government that takes its mandate for change, and for abolishing Work Choices in particular, very seriously. With this bill the government delivers on a key election commitment that was strongly endorsed at the ballot box. Labor could not have been any clearer about its commitment to getting rid of the Work Choices laws. In December 2006 the caucus elected its new leader and deputy leader of the then opposition, and they both made very clear their promise to abolish AWAs and restore fairness to the workplace relations system. In April last year Labor released its Forward with Fairness policy, which again made clear that if elected Labor would abolish Australian workplace agreements. Six months ago, Labor released its Forward with Fairness implementation plan, which set out the sensible transitional arrangements a Rudd Labor government would adopt for implementing our promise to abolish AWAs.

Throughout the whole of last year every member on the government benches campaigned long and hard in our respective electorates across Australia to make clear Labor's commitment to get rid of AWAs and introduce a fairer, simpler and more balanced workplace relations system. Unlike those opposite, who never sought a mandate at any election for their extreme Work Choices laws, well before the 2007 election the Australian people were left with no doubt as to Labor's position on Work Choices and our steadfast commitment to abolish AWAs. Getting rid of AWAs and all statutory individual employment agreements has always been central to Labor's workplace relations policy and we could not have been any clearer with the Australian people. That the former government spent more than \$60 million of taxpayers' money campaigning against Labor on workplace relations makes clear that members opposite were acutely aware of Labor's policy. Indeed, there was barely a day last year when the former government did not criticise us for our policy position. Day after day they sought to attack Labor for wanting to introduce a fairer, simpler and more balanced workplace relations system in this country. In such a system there is no place for AWAs or any statutory individual employment agreement, since the essence of these agreements is to override the safety net.

Labor believes that all Australian employees are entitled to a safety net of 10 national employment standards, and we believe that employees earning less than \$100,000 are also entitled to an extra safety net provided by modern simple awards. Yet members opposite continue even today with the charade that AWAs are some kind of panacea for the economy - no matter that the evidence of how AWAs have unashamedly ripped off Australian working families time and time again continues to mount. All is well according to them, but just this morning the shadow minister for workplace relations came into the House and foreshadowed an amendment to this bill in the hope of extending the life of AWAs and keeping Work Choices alive just that little bit longer. It is so hard for them. Apparently death by a thousand lashes is their preferred option for working families. Such tactics are nothing more than a deliberate attempt to deny the Australian people what they voted for. Members opposite treat the Australian people with contempt. When are they going to accept that Labor has a mandate to abolish AWAs and put in place a fairer, simpler and more balanced workplace relations system? That is, of course, what this bill sets out to do: it implements our transitional arrangements and it prevents the making of new AWAs from the date of the bill's commencement. Despite the former government doing its best to hide the facts about AWAs, Australian working families have felt their impact over the last couple of years and they have rejected them.

Eighty-nine per cent of AWAs did cut at least one protected award condition. Eighty-three per cent removed two protected award conditions. Fifty-two per cent removed more than half, six or more, protected award conditions. Sixty-eight per cent excluded annual leave loading. Sixty-three per cent excluded penalty rates. Seventy per cent excluded shift loadings. Unfortunately, there were stories in our media around Australia every day that illustrated these examples. In my own area in the Hunter, I have a quote from April of a Rutherford tow-bar fitter who was sacked for requesting light duties after incurring a work injury - one of the victims of Work Choices. I know of two cases where workers were threatened to be sacked if they asked for time off to attend the birth of their children - these were fathers, of course. Those sorts of cases are what

alarmed the Australian public. Those sorts of real experiences certainly convinced the Australian public that they did not want Work Choices.

The impact of the Work Choices legislation was particularly harsh on women in the workforce. Analysis last year showed that less than 20 per cent of AWAs contained family friendly provisions, and, meanwhile, women on AWAs working a 38-hour week earned almost \$90 a week less than those on collective agreements. Last October, a report from the New South Wales Office for Women compiled data from the Newcastle community legal centre and other Sydney branches and it stated that female employees were definitely more vulnerable under Work Choices. The report found an instance of a woman having her hours severely cut after revealing to her boss that she was pregnant. Another woman was pressured to sign an Australian workplace agreement that would have cut her hourly rate from \$17 to \$12, and instead she gave up the job. Of the 220 employment cases handled by the community legal centres, it was found that half of the women dismissed without warning were no longer protected by unfair dismissal laws. I congratulate community legal centres. I know what a great assistance they are to people not just in employment disputes but with disabilities and specific social needs as well.

As the first woman to represent the federal seat of Newcastle, I am very pleased to support the Deputy Prime Minister, the first woman to hold that position and the first woman in Australia to be Acting Prime Minister, who has introduced such an important bill, which will help working women. So, for all Australians, the sooner that no new AWAs are signed the better. Upon commencement of this bill, no new AWAs will be signed. It is with some amusement, I suppose, that we all watched the backflip performed by the Deputy Leader of the Opposition before question time yesterday. I still remain confused as to her position, having heard an interview with her this morning on ABC radio and then seeing her in the House earlier. Confusion is definitely alive and well in the ranks of the opposition.

I do welcome the fact that the opposition have finally decided not to keep Work Choices alive in its entirety for as long as it possibly could and will be supporting some of this legislation. I think some of those opposite - perhaps like the member for Paterson, who suffered swings of up to 15 per cent from working families in his electorate and barely held on to his seat - will perhaps be considering their options a little more carefully when it comes to such legislation.

In my own electorate, 40 per cent who responded to a survey were particularly concerned about Work Choices. They will be pleased today. One of them told me:

My employer changed the title of my position, added additional responsibilities and reduced my monthly pay by 10 per cent.

Another constituent said:

I have been offered a lower paying job along with 71 other staff. I am choosing to leave the company and dread facing new conditions in the workforce.

Yet another said:

I had to sign a contract for employment which was 20 to 30 pages long, and I did not really understand it. It also stated the employer could let me go with 24 hours notice.

Another person from Hamilton said:

Since this contract has been put in place, my pay has dropped significantly for sick day and holiday inclusions.

And a constituent from Lambton said:

My 18-year-old daughter was given casual work, only to find her AWA includes no penalty rates for weekends. Young people do not have the knowledge to be able to understand what they are signing.

That is exactly why the Australian public responded so well to the ACTU campaign. This is what was happening to them, their children and their family members.

Fortunately, this legislation is the first nail in the coffin of Work Choices and the Australian people will take it out on the opposition if they refuse to join us in hammering that nail. I join the Deputy Prime Minister in calling on the opposition to help us get this legislation through the House and through the Senate by Easter. The bill does introduce sensible transitional arrangements to allow employers and employees who have been using AWAs to prepare for the full implementation of our new system in January 2010. Employers using AWAs as at 1 December 2007 will be able to offer individual transitional employment agreements, ITEAs, to existing employees on AWAs and to new employees. Importantly, ITEAs may not be used to strip existing employees off their collective agreements. The bill also extends the operation of transitional arrangements such as NAPSAs until the commencement of Labor's new workplace relations system.

The bill also abolishes the previous government's so-called fairness test - I remember that fairness test; my goodness! All the advertising money in the world just could not sell that sham. It also establishes a true no disadvantage test for all workplace agreements. For ITEAs, the no disadvantage test is applied against an applicable collective agreement in the workplace or, if there is no such agreement, against an applicable award. Certified agreements will generally continue to operate in accordance with the current rules. They may no longer be terminated unilaterally following the nominal expiry date on 90 days notice, unless the AIRC is satisfied that the termination is not contrary to the public interest. Pre Work Choices certified agreements can be varied and extended by agreement, so parties to those agreements can avoid a double transition.

The bill also establishes the process to create new, modern awards by 31 December 2009 that are simple and easy to understand and apply. Together with the National Employment Standards, the awards will form an integral part of the safety net for working Australians under the government's new system. The Australian Fair Pay

Commission will perform only the annual review of minimum wages, as any other exercise in relation to pay scales and minimum wages will interfere with the AIRC's award modernisation process. I have great confidence in the Australian Industrial Relations Commission's ability to harmonise and modernise our award systems. The government has already started consultation on the National Employment Standards, which will be the 10 key minimum entitlements for all Australian employees and will apply from 1 January 2010. This consultation is a refreshing change from the former government, which did not consult key stakeholder groups about Work Choices, let alone consult the Australian people at any election.

This bill also removes the obligation on employers - quite a burdensome one - to hand out the former government's workplace relations fact sheet. This obligation was really part of the former government's hard sell on Work Choices. They spent \$122 million in taxpayer funds on advertising trying to sell Work Choices. I was pleased to see the last of those pamphlets being pulped on Monday. Sadly, those mouse pads discovered yesterday still need a home, and who knows what else we will find? Perhaps the former government could have directed their information campaign - as they called it - to their own cabinet. After all, we did discover on *Four Corners* on Monday night that many of them, including the former Minister for Employment and Workplace Relations, Joe Hockey, did not even know the detail of Work Choices. Perhaps they could have saved some money by sending a memo to cabinet rather than printing hundreds of thousands of mouse pads and pamphlets. More broadly, this government is committed to reducing the waste associated with the former administration's advertising excesses. This includes asking the Auditor-General to approve advertising or information campaigns with a budget of more than \$250,000 and to verify that they are not political and provide essential public information. It is something we will all welcome.

In speaking on this legislation and considering the hardship that employment uncertainty creates for working men and women with children, I digress and take this opportunity to draw to the attention of the House the recent job losses within the steel industry in my electorate of Newcastle. Certainly, these workers are on collective agreements. The Hunter is the region with the highest take-up of collective agreements in Australia. We have a very cooperative relationship between our employers, unions and workers. After the closure of BHP and the end of steel making in Newcastle, OneSteel was demerged from BHP and continued a significant presence in Newcastle, particularly in the manufacturing of steel and metal products. At the time, it was evident that OneSteel had been spun off with poor capital equipment and limited capital for investment. I do pay tribute to the OneSteel workers and management, particularly Geoff Plumber, who worked cooperatively to build OneSteel into the successful company it has become.

Last year when OneSteel, seeking efficiencies and ways to increase its competitiveness, merged with Smorgon Steel, the pain for Newcastle began again. Plants were rationalised and of course the first ones to go were those older plants in Newcastle, the same plants that kicked off the business growth and success that OneSteel has enjoyed in recent years. That particularly hurts. Last year, OneSteel announced the closure of the pipe and tube plant, with a loss of 240 jobs. Last week, OneSteel announced the closure of its bar mill at Mayfield, with a projected loss of a further 220 jobs. I am told

the former Smorgon-Comsteel bar mill will absorb 40 of these workers. Of course, some of the older workers may see the redundancy offer as a favourable early retirement option. But 440 working families have had to face uncertainty regarding their future employment and have had to make decisions, hoping their choice will be the right one for their family's long-term financial security. I know that OneSteel will ensure that all workers' entitlements are paid in full, and I know that our government will ensure that Centrelink and the Job Network are ready to give maximum assistance to these workers and their families. I am also aware that in the first round of job cuts 80 per cent of those who actually left OneSteel found alternative employment. So there is a market in our manufacturing sector for skilled workers. I sincerely hope that the workers currently facing redundancies will also find satisfying and long-term employment.

The closures at OneSteel will have further implications. It seems that OneSteel will cease making a certain spring steel in a particular bar size from 2009. This product is used in spring making by manufacturers in Newcastle, Adelaide and Queensland. It is used by Bradken in iron ore wagons in the Pilbara. It is used by the mining industry and I know there is concern amongst these manufacturers that they will not be able to access this product. I am asking on the record for OneSteel to clarify whether this latest closure will mean the loss of this product. I am sure that when the merger was looked at by the previous government and its agencies there would have been some assurances that products would still be available to local manufacturers. It would be a great pity if these closures and restructures by OneSteel saw our local manufacturers forced to import raw bars from China or India. I am told there is a world shortage of this material and that there will be problems in assuring a supply of the grade and quality that is required. So I do ask OneSteel to clarify that situation for me. I also hope that in the Hunter the unions, my colleagues and I can assist the OneSteel workers into better employment options.

I support the legislation before us and congratulate the Deputy Prime Minister on her sterling work in this field. Her clarity is something to marvel at and certainly her ability to put forward this legislation so quickly is something we all take great pride in.