



# FEDERAL LABOR LEADER THE HON KIM BEAZLEY

CHECK AGAINST DELIVERY

EMBARGOED UNTIL DELIVERY

## SPEECH TO THE HOUSE OF REPRESENTATIVES ON WORKPLACE RELATIONS 26 MAY 2005

Let us cut through all the spin and verbal camouflage of all of this. What does it mean? It means that families will be worse off. That is what all of this means. What all of this amounts to is collapsing the right of ordinary Australians to collectively bargain, making it harder and harder for them and removing from them union protection where the government can do that, particularly where the work force is at its weakest.

It is to gut the processes whereby minimum wages are set and other awards are built on top of those minimum wages. It is of piece with the Government that, if its own views had been accepted by the IRC on minimum wages, those on our lowest incomes would now be more than \$2,000.00 a year worse off.

That is what this is about. It is to deal with the process which has created something the Government does not like: underpinning the whole wages system. But that underpins family life in this country; that is what gives it certainty. Another thing that it is seeking to do is to gut the idea of an independent umpire, something that Australians have striven to have protected in our unique industrial relations system over the course of more than the last century.

It is to ensure that that independent umpire cannot act as an umpire over good faith bargaining and that good faith takes place in bargaining with an independent umpire to adjudicate on that. But, above all, what its intentions are and whether it succeeds in these intentions will largely depend on the character of the

economy at the time. But its intention is to exercise downward pressure on wages. That is what its intention is. It may not be able to achieve that, because the economy at the time and the lack of skills in the community may, in fact, send wages through the roof at any point of time. But when that situation does not obtain or if in particular industries it does not obtain, the objective here is to exercise downward pressure on wages.

What all of this adds up to is more uncertainty in family life. What it will add up to is a reasonable confusion and concern in the minds of ordinary Australians as to whether, in their most important endeavour into which all their creativity, in many cases, goes into the world of work. They are going to have the level of protection they are used to and whether they are going to have the level of the capacity they now have to look their boss in the eye and be unafraid when questions are discussed about the lifestyle and the conditions that ordinary Australian workers confront. This is about a material undermining of democracy, as it is about a material undermining of people's capacity to enjoy a decent and improving life.

Let us ask ourselves a question: why is the Prime Minister trying to stamp his 1970s ideology on the 2005 Australian economy? We need to look forward. Why is the Prime Minister now adding so much complexity to the system?

Do not make any mistakes here; this is a more complex system not a less complex system that is being put in place here. We need an industrial relations system that is flexible and fair, not complex and unfair. We need to help Australians become the most skilled workers in the world. We need infrastructure to lay the platform for long and sustained productivity. And we need to distinguish between economic fact and Liberal Party ideology.

Australia's industrial relations systems have changed and they have improved. As painful as it is to those opposite, trade unions have participated in making our country prosperous. They have done it in partnership with governments and business. Productivity has improved over time, just as industrial disputation has declined over time.

So why then, in the face of these facts, do we have a government talking 1970s rhetoric, providing an analysis of the industrial relations scene as though it were what it was in 1976?

These proposals reek of a government intoxicated by a mix of absolute power and they will enjoy that on 1 July and crude outdated ideology. What is so concerning about the latest Howard/Costello proposal is that it fundamentally undermines good faith between workers and employers.

That is just simply not the way to move forward and that is not how we improve productivity. The Prime Minister, and this is very important to understand, because he has had opportunities to express himself on this in the past and he

had an opportunity to do so here again today refuses to guarantee that as a result of his legislation no worker will be worse off. He refuses to guarantee that, because he is determined to slash the wages of the lowest paid workers.

He is out to reduce their conditions and he is getting rid of the independent umpire. He forgets, as he presents his 1976 analysis, that it was Labor that introduced enterprise bargaining and Labor that made it work. It is Labor that brought flexibility with fairness.

It was Labor who took up the challenge of labour market reforms, integrating Australia into the world economy. Phasing out protectionism, creating a modern productivity based system of workplace agreements and scaling back regulation.

It was not him. This was not the situation we inherited when we came into office in 1983. It is what we did. What that did was to set the groundwork for Australian prosperity now and to set the groundwork for improved productivity in our labour force. We did that. We did it with the changes we put in place and you have benefited from them.

You have benefited from the fact that it always takes a decade or so to put those things into position. On some of them you supported us; on many of them you opposed us. But we nevertheless did it, and since then you have been the beneficiary of it. You have been the beneficiary of that and the most beneficial terms of trade that this country has enjoyed in the best part of a century extraordinary terms of trade. Those two factors and those two factors alone, the reforms put in place by the Labor Government and those extraordinary terms of trade are what have driven the wages picture now.

But there is a problem in the wages picture now. That is the productivity that we saw surge off the Labor Party's reforms. The productivity that was a product of the flexibility in the workplace. The fact that individual employers had the opportunity to sit down with their own work forces, relatively free of external influences, and settle the issues with their own employees in a way that suited their own workplaces. This was put in place by your predecessors. That was what drove productivity. But it is driving it no longer. It is not driving it any longer because of a lack of flexibility.

The problem we now confront is the problem of innovation generally. Investment in innovation in Australian business and Australian firms which has slowed dramatically under this Government: that is the first point. The second point is a huge problem of skills in this country. A desperate problem of skills that we must now begin to deal with if we are going to restore the levels of growth in productivity that we got from the Labor Party's reforms, which have been slowing dramatically over the last three years.

Through this Government's refusal to do the hard work of reform, the productivity surge, as I have said, has faltered. It refuses to do the hard things and, instead, makes it harder for Australians and their families by cutting their wages, downgrading their conditions, removing safety nets and sacking the independent umpire. Instead of investing in training Australians, they're importing from overseas an extra 20,000 workers just this year, and turning away 40,000 Australians from TAFE colleges every year.

For Labor, a cooperative and progressive industrial relations system is a core value. Creativity, dignity and self-worth are cultivated in the world of work. Workplaces where employees are confident and secure and where wages and conditions are fairly negotiated and not stripped away.

But let us get down to it. At his core, the Prime Minister believes there is no legitimate role for trade unions in the economic and social affairs of our nation. When he, and his backbench, looks at trade union members he sees not his fellow Australians but an enemy to be defeated. What we see when we look at the trade union movement in this country, the men and women who take responsibility in the workplace, who take risks with their futures on behalf of their colleagues, who believe that their fellow man and woman is bettered by their willingness to take responsibility.

I am not simply talking about full-time officials here. I am talking about shop stewards and job delegates, because the union movement is spread throughout the workplaces it is not simply commanded from a centre in Melbourne or in any of the particular state branch offices.

It is a movement that concerns a huge array of Australians. These are not alien Australians. These are the Australians who are now in voluntary life in this community, accept on that voluntary basis responsibility for their fellow Australians. They are our brothers and sisters. They are our mums and dads. They are our aunts and uncles. They are not an alien force or an enemy, although they are treated like that by our opponents. They are the people who not only take responsibility in the workplace, they take responsibility in society as a whole.

You go around any organised workforce anywhere in this country and you will find the people who run Little Athletics, find the people running the volunteer fire brigade, find the people who are running the SES volunteer component. You'll be finding the people who run the local footy clubs. You'll be finding the people who do the collection for the Salvation Army. You'll be finding the people who are the sidesmen in the churches of this land. Those are the people you are taking on here today with the legislation that you are putting forward here.

You sit there cackling in your cocky manner. You talk about chicken lattes in the remarks you made. I will tell you what: there is only one barnyard animal in this House at the moment, and that is the cocky fellow opposite who presented the statement he did about half an hour ago. That cocky fellow who now finds himself with absolute power.

That cocky fellow full of hubris, full of the capacity to slither through in the Australian political system to put in place the prejudices that he has had for 40 or 50 years. The prejudices that he has brought to Australian politics. And the mind-set that still lives with a picture of the world that may well have had some truth to it in the mid-1970s but has not truth to it now at all. A person who simply cannot see, who simply cannot see what technological innovation and what skills mean and how crucial they are now to productivity now. Who, in the face of all obvious evidence to the contrary, still sees that workplace in the same shape and form it had as he first started to form his prejudices.

It is a terrible thing when any one of us cannot free ourselves from prejudice and see reality. It is a truly horrible thing when that person concerned happens to be a Prime Minister and has, as this Prime Minister will have from 1 July, absolute power.

The Government in Federal Parliament and this is the nub of it will not give a guarantee to those Australians I have described. Those men and women in the workforce who organise for the trade unions and who are the beneficiaries of them. They will not give a guarantee to them or to those on whose behalf they work that they will not be worse off. They have been asked directly to give that guarantee. They have dodged the question and so exposed the true motive.

Now, the minimum wage is one of the basic protections that Australian families have in our democracy. It should be mentioned in the same breath as the right to vote or the right to assemble. Let it be known that if the minimum wage were undermined, Australia would cease to be a family-friendly country.

It is un-Australian to expect parents already at the lower end of the wage scale to look for more work when they should be at the dinner table or taking the kids to their sports or helping them with their homework. If individual contracts means that working hours can be routinely varied at the drop of a hat, then who suffers? It is families who suffer.

Make no mistake: this legislation is very bad for Australian families. This foreshadowed legislation is very bad for Australian families. If one of our community's social objectives is to have parents spending more time with their families then these proposals fail the families' test. That is why they are so un-Australian.

The Government says, 'forget about what the country needs', because this is not about that. This is about the fulfilment of a lifelong ambition to attack and control the industrial relations system in this country and that has been exposed here today. With unfettered power in the Senate, there is no holding him back and this time he will succeed where Peter Reith with his balaclavas and Alsations on the waterfront failed. Let us make absolutely no mistake about what their intentions are in this regard. There's a veil has been drawn over that particular episode but, if you were to strip that veil away, you would find conspiracies in the Prime Minister's office between himself and Reith to deny Australian workers what they said their legislation guaranteed. And that was the right, if they so chose, to be collectively represented by a union.

This Prime Minister and his then industrial Relations Minister Peter Reith actively conspired against the capacity, on this case on the waterfront, of workers to organise themselves into the union that they wanted to be in and made a decision to make that a criterion to lose your job. And they enforced it or attempted to enforce it with thug guards and with dogs. That is what they wanted to do, and it represented their true passion.

To turn on your fellow Australians like that and treat them in that way required an image of your fellow Australians that essentially demonised them, that essentially made them something other than real people. Something other than the mums and dads I have been talking about, the people who really build this country

We in the Labor Party will never fight a class war like that because we do not believe in it. We do not believe in class war; they do. We believe in cooperative, flexible labour relations. We do not believe in tilting balances against ordinary folk in that process. We believe in independent umpires presiding over a good faith system, that's what we believe is an environment in which class war is taken out of industrial relations.

You remove all of that. You gut the independent umpire. You remove the capacity for people to get themselves a decent minimum wage. You bureaucratise that process and render it essentially unfair. That is what you propose to do. You introduce into Australia an element of latent class war that we do not want. That is against the Australian spirit of the fair go and against the Australian spirit of equality.

There will be no break on their political excesses or their ideological obsessions. I want people to understand the consequences of that. We are not dealing, when we deal with this Prime Minister, with a fool. We may be dealing with a cocky man but we are not dealing with a fool. We may be dealing with a cocky man but we're not dealing with a fool. What you need to do when you read this Prime Minister's words is to read between the lines, as well as the lines themselves, to get an understanding of what is intended here. He has tried the process of crash and crash through. He did that on the waterfront and he was actually repelled.

This is not about crash or crash through. What this is about is subtle undermining. Undermine the state systems first, undermine a set of conditions. Get long service leave out of it, get jury service out of it and review the rest of it. Then introduce another piece of legislation, while you have still got those numbers in the Senate to be able to do it that takes this back a point further.

What we are seeing is the Australian democracy and industrial conditions as a salami to be sliced away, not to be thrown away, but sliced away. This Prime Minister has made his intentions absolutely clear. His heart is always on his sleeve on industrial relations. But he does not necessarily have every element of the meaning of those intentions and directions clear in any particular piece of legislation that he hands before you. He can exercise that patience because he will have absolute control of the Senate for two and a half years. There will be plenty of time, after the first elements of this are through, to start on the other elements. There will be no break on their political excesses or their ideological obsessions. And this country, just think about the consequences of that, when the union movement is finally gutted as an operation in this country.

Where would the asbestos victims, for example, of James Hardie be without the trade union movement and that campaign run by the ACTU? It is about more than just the wages that people pocket or the hours they work that is important. But the fact of the matter is that the ability of our work force has to see themselves collectively organised and represented goes way beyond what goes into their back pockets. It goes to their very lives itself.

The capacity that they have for family friendly hours is part of it. But the capacity to survive at all is part of it. The capacity to have in the workplace people courageous enough to be able to stand up the boss and say: 'listen, mate, we've got a real problem here. It's a problem which is going to affect our ability to live a full and happy life. We're going to experience, as a consequence of this or that productive process a real threat from disease.' And then it's the question of that is not necessarily easily seen from the workplace or elsewhere, but the consequences as we look at the epidemiology of somebody suffering, we see that in fact the problem has occurred.

Who will stand up and fight for them? Not the Liberal Party. Not the individual Liberal Members. Not the scions of privilege in this place. Not the spin doctors and the pollsters that they have out there, who confuse people's minds about what their true intentions are. It will be some honest soul out there, some ordinary fellow or woman, some ordinary person, who stands up, bells the cat on this and says, 'we've got to get together to make sure that this changes.'

They need an organisation, they need an operation, that effectively does that, because any ten sitting together will not necessarily have that effect. They need a powerful organisation, such as that which is provided by the trade union movement, in order to be able to achieve that outcome.

The Prime Minister's industrial relations attack is not about reform. It is not about the long-term interests of the Australian economy or its people. He says we suffer reform fatigue. We do not. We just understand what reform is now needed. The reform that is now needed goes to the skills of our workforce, and it goes to national leadership on removing the bottlenecks which have developed in our infrastructure. We are going to work like blazes on all of that. What we are not going to do is dignify your prejudices reform. That is what we are not going to do.

We are not going to see a dream where dignity is awarded to a few but paid for by the many. We are not going to allow you, because you think you can get away with anything now that you have taken control of the Senate, to do so without us standing up and fighting you. We are not going to let you turn back the clock.

What we stand for is rebuilding in this country. We are not going to cop his paragraph from Billy McMahon's autocue on all of this. We are going to make absolutely certain that he pays the penalty for what it is that he is trying to do now to the Australian people.