

## **Industrial Relations Society of Victoria**

### **The Opposition's Approach to Industrial Relations**

It is a pleasure to be here today. The Society was very quick off the mark after I was appointed and I was very happy to accept their invitation.

This is the first major speech I have had the opportunity to make since being appointed as the Opposition spokesman, so I want to take the time to outline where I see the Opposition taking our policy, particularly as we respond to the Government's new legislation due before the end of the year.

Can I first take a moment to introduce myself. I am relatively new to the Parliament, being elected to the Western Australian seat of Stirling in 2004.

Prior to entering Parliament I spent eighteen years in the workforce doing a variety of jobs since I began my working life delivering milk when I was fourteen. I did some degrees in different parts of Australia and the world but I always held down a job whilst doing them.

I have worked as a barman, waiter, salesman, maker of hamburgers and many other jobs too numerous to mention - I even worked briefly as a nightclub bouncer amongst other things. My working life has been in several parts of Australia and also overseas.

I have also been an employer and grew up working in my family's small business.

Throughout all of these different jobs, the quality of my employers was generally good although I have occasionally come across an employer who failed to live up to their obligations.

The times I actually remember with most trepidation are the times when I was unable to find work. That intense and unwavering feeling of insecurity that would pervade your life and the loss of confidence that can accompany this.

Unemployment is undoubtedly the worst fate that can befall anyone in the labour market and I take the employment part of my portfolio very seriously. Sadly, we are going to see many more Australians suffering this fate over the next few years, a point I will return to later.

My personal experience puts me firmly in camp of a pragmatist when it comes to workplace relations. Like my colleagues in the Opposition, we want a system that works for employers, provides a safety net for employees and doesn't tie either up in unnecessary red tape.

Our system cannot be a straight jacket that strangles the entrepreneurial spirit that makes this country great. Like all regulatory regimes, it must evolve over time to suit the needs of a modern Australia that must compete in an increasingly difficult global marketplace.

Contrary to the way this is sometimes portrayed, perhaps contrary to what some in this room think, the Liberal and National Parties do not approach workplace relations with some set ideological agenda. We don't hate unions and we don't seek to exclude them from the system.

We seek a system that works for all concerned and one that can keep up with changing demands. A system that embraces choice whilst providing needed reassurance that people remain protected from the occasional unscrupulous operator.

Labour market reform – commenced under the Hawke / Keating Governments and extended under the Howard Government – has been a vital ingredient in our nation's astonishing success. If we hadn't adapted and changed we would not find ourselves in the enviable position we occupy as being one of the few nations to be in a position to weather the current global storm. It is this pragmatic approach that will drive the creation of our new workplace relations policy over the next two years.

I note this is the first conference you have had since the last election which resulted in a change of government. Like any first term opposition, we need to heed the lessons from our election loss. Obviously workplace relations was part of the reason we lost the last election. It was not the only reason, and we must be very careful to rebut those that come up with such a simplistic explanation but it nonetheless played a significant role.

When the electorate delivers you a verdict on a particular policy, you don't turn around and argue the toss with them. You learn from it and you listen to what they have told you. We therefore accept that the Government has a right to make changes to our workplace relations system in keeping with the policy announced prior to the last election.

But the Labor Party's policy announcement was relatively light on detail and much will depend on how they implement their announcements. The devil is in the detail and when we are dealing with a whole new act - and this is only what I assume - then the detail will be enormous and the potential for mistakes is large.

Sadly, the Government has already cast aside their promise to release an exposure draft of their policy so the people who are most affected by it - the public - do not get to scrutinise it.

We saw the remarkable sight earlier this year of the Government significantly amending their own workplace relations legislation in the Senate when they passed their transitional amendments and Australians cannot afford such a slap dash approach this time. That is because of recent events.

As the Government is fond of saying, the world has changed. But the question is, have they?

The global financial crisis completely alters the debate around workplace relations and employment in ways that will become apparent over time. What is clear is that people are going to start losing their jobs in increasing numbers. This is a phenomena that was all but put to bed under the Howard Government.

Incredibly, we had close to full employment in Australia and all the talk was of labour shortages and skill shortages. Unemployment, or at least unemployment in large numbers, seemed to have been put to bed by the massive numbers of new jobs created over the past ten years. This has allowed the Government to all but ignore the issue of unemployment and job creation in their first year in office. Their own forecasts announced an increase in number of Australians out of work but they studiously avoided any mention of this in public statements and never engaged in any discussion of the issue.

Julia Gillard, until very recently, never mentioned jobs creation or unemployment. She had no plans to create jobs and has resolutely refused to model her new workplace relations changes for the effect they may have on the labour market.

This is not now a tenable position to take in light of global events and we have already been inundated with bad news of businesses being forced to lose people. Ford is shedding 1,400 jobs, Telstra might lose as many as 12,000 and in my home state of WA, Austal Ships and Newcrest Mining have announced significant job losses. Some economic forecasts are particularly bleak, with JP Morgan forecasting 1 million Australians will lose their jobs over the next two years as

unemployment rises to 9%. Other forecasts are less pessimistic but it is clear that unemployment will rise.

The Opposition has called on the Government to actually level with Australian people about the state of the labour market but no information has been forthcoming. This is a mistake because people need this information to help plan for the future with some certainty.

If one million Australians are going to lose their jobs then the public needs to know where these losses are likely to occur and who is most at risk. In the vacuum created by the Government's refusal to share information then the worst forecasts hang over the head of every working Australian.

It is alleviating the scourge of unemployment which must be our focus when we debate the Government's new Workplace Relations Act. Given the current complexion of our political system, the real action is going to be in the Senate. The Government will be able to use their numbers in the House of Representatives to pass the new act whenever they like and without proper debate. In the Senate though, they will be required to make their arguments and convince either a combination of themselves, the Greens and both Senators Xenophon and Fielding, or they will need to sit and talk to the Opposition.

We are keen to play a constructive role in shaping our future system and we also place great importance on ensuring that the Government's policies do not contribute to the growing ranks of Australia's unemployed. The circumstances since the Labor Party announced their policies and began to draft them are now vastly different. The economic circumstances of 2007 are a world away from the circumstances of today and the prosperity we enjoyed then cannot be taken for granted now.

As we hear from the Government, the world has changed. That means that we need to re-evaluate the effectiveness of incoming policies in light of global changes in circumstance. Australia cannot afford the Government to botch workplace relations policy in the same way they mishandled their economic strategy.

By that I mean they persisted with their political strategy – that of trying to blame the former Government for inflation – despite this rhetoric proving very damaging to the conduct of monetary policy as global circumstances changed.

Unfortunately, the Government gives every indication in prioritising its political agenda over good policy. That agenda is to pick a fight with the Opposition over

workplace relations at every opportunity. They remain far more interested in engaging about the past than in sitting down with us and co-operating to create the best system for Australia in the future.

This is a very short sighted strategy that puts their political interests ahead of the national interest. I hope in the weeks ahead that they reconsider and prioritise the interests of the community, particularly those in the community who are most at risk of losing their jobs.

When the Opposition comes to evaluate their new Workplace Relations Act we will be analysing it to see what effect it will have on employment.

Will it contribute to job creation or will it restrict job creation?

Will it encourage the engines of job creation in Australia – small, medium and large businesses – to be able to employ people with confidence?

There is no use focusing on the nuances of workplace regulation as potentially hundreds of thousands of Australians are going to find themselves out of work. This would be the political equivalent of Nero fiddling whilst Rome burned and people rightly expect their politicians to do better.

The Opposition remains committed to engaging with the Government to do our best to help Australia navigate these treacherous economic times with a minimum of job losses. We owe the Australian people nothing less.