

**Extract from Legislative Council Hansard**

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**INDUSTRIAL RELATIONS AMENDMENT (FAIR CONDITIONS)  
BILL 2005 (No. 71)**

**Second Reading**

[3.52 p.m.]

**Mr PARKINSON** (Wellington - Deputy Leader of the Government in the Council) - Mr President, I want to place myself on the record today as supporting this bill. I have been increasingly disturbed over the last 12 to 18 months at developments in the Federal political field on industrial relations. It does not take a genius to work out what is going on. What is happening is an ideological push by a prime minister who has been waiting for many years to be in the position where he now is, and this is unprecedented in Australia's history. Since I have been observing political developments in this country, which is a fair number of years now, I have to say, and I go back to the last time where a government held a majority in the Senate, a Conservative government under former Prime Minister, Malcolm Fraser, no move of this type was contemplated or made by him, even though he was pretty tough as well on industrial relations.

I recall as a resident of Newcastle at the time when his Government took very strong moves against the shipbuilding industry in those days, which was heavily based in New South Wales around Newcastle, and there were a lot of demarcation disputes which really were causing problems in the industry. The Fraser Government in those days moved against those, but there was nothing done by that Conservative Federal Government to erode what were always regarded as minimum wages and minimum conditions, unlike what is happening now. This idealogue, it seems for no other reason than a distorted view on economic behaviour, wants to somehow engineer a position where wages and conditions in this country can be organised totally in a laissez-faire manner by the market, and therein lies the huge problem that Australian society faces. I just do not think that the majority of your average citizens have really had the opportunity to contemplate the gravity of what we face. I think increasingly people are coming to realise just what it means and I think the recent public demonstrations are an indication of that.

I recently had the opportunity while in Brisbane to attend the rally that took place there, probably one of the smaller capital city rallies, although certainly bigger than Hobart's. There were probably 7 000 or 8 000 there, just ordinary working people who had gathered to express their dismay at the planned changes. As I was coming away from Brisbane, at the airport I was wearing one of these badges at the time, I had forgotten I had it on but going through security, one of the security fellow said, 'You were at the rally were you?' My immediate reaction was to wonder how he knew but of course it is like the Tasmanian badge. People say, 'How is it going in Tasmania?' and you realise you are wearing a badge. I realised he was looking at the badge and I said, 'Yes, we were there'. He had not had the opportunity to be there but his reaction was to say, 'Good on you, mate.' There was a wage earner on about \$14, maybe \$15 an hour, contemplating the position he might be in if this laissez-faire approach is finally adopted to the degree that the Howard Government wants it to be adopted.

Even though I accept, as we were told in the briefing, that this particular bill was going to happen in any event, it seems to me that it is now even more important that once and for all we in Tasmania try to entrench in our legislation certain minimums that at least will protect some employees from what otherwise will be this juggernaut, this creeping kind of change. I am not suggesting that there will be overnight change but when you introduce competition into the labour market which is unbridled, you really go back to the beginnings of the Industrial Revolution when there were no rules. It does not take much imagination to realise how, when people need work and when you get a situation where there are a lot of people needing work, you will, by agreement -

**Sitting suspended from 4 p.m. to 4.30 p.m.**

**Mr PARKINSON** - Mr President, I am not quite sure where I left off.

**Ms Forrest** - Lots of people needing jobs.

**Mr PARKINSON** - One of the problems when you do not have notes.

**Mr PRESIDENT** - I think you were probably saying something about the Prime Minister.

**Mr PARKINSON** - I have a bill in front of me and it is the industrial relations bill.

**Mr Finch** - You were at the rally in Brisbane, weren't you?

**Mr PARKINSON** - I had finished there and I had been congratulated by the security worker at the airport who noticed the badge.

**Ms Forrest** - That was well back. You were talking about lots of people needing work.

**Mr PARKINSON** - I recall that they are on about \$14 per hour under a Federal workplace agreement and, of course, they are particularly fearful of what might be in the pipeline for them. One of the interesting arguments that I find coming out of the mouth of the Prime Minister is the one that goes something like this: 'We've fixed up the economy already and so we have this full employment situation so that if you don't like that job, you can just go and get another one. If somebody comes along and agrees to work for a lower wage or lesser conditions than you already have so that you find yourself displaced, you shouldn't be too concerned because the way I, the Prime Minister, have fixed up the economy, you'll be able to get another job and so it just won't matter'.

The fallacy with that argument is that if you look at our economic history, rarely has this country been in a position of full employment. We have been close to it and we are not there yet - we still have 5 per cent or thereabouts, on average 5 per cent or 6 per cent unemployment - so still your average working person is not in what you would call a bargaining position where they can dictate any terms. That may not be true of all occupations and perhaps there are some where there are shortages where people can ask for more, but they are in a huge minority -

**Mrs Rattray-Wagner** - Dentists, I believe.

**Mr PARKINSON** - Dentists would be one in a huge minority and certainly nowhere near a group that would influence in any way the general level of economic activity. The difficulty I have is that if you analyse the Federal government plan, it is pretty obvious that the effect of the plan is to bring about an overall decrease in Australia's standard of living - that is, the general standard of living - and the idea behind trying to achieve that is that somehow you will make our labour costs in particular more competitive with our competitors. Who do we compete with? We compete with every low-wage country in the world. So is the plan to reduce our wage levels to theirs so that we become equal? If it is, then what would that do to our economy? All it would do is reduce our general standard of living to such an extent that our disposable income would be so low that we would not have, unless we borrowed, money to spend on the necessary goods and services and you would end up having a recession, unless of course you could maintain the high levels of economic activity that you currently have. The only way you can do that is to stimulate spending on goods and services by the general population. If you have competition in the labour force which leads to reductions in wages and conditions then you just will not have increasing disposable income sufficient to generate increases in economic activity. I repeat, it is a recipe for recession.

So it becomes extremely important to entrench minimum standards of the type that are in this bill. These are not, generally speaking, onerous minimum standards. I can understand why some people would argue about things like jury service. I have been an employer and no-one in my employ in the 12 years that I was employing people was ever called up for jury service so I just wonder, as far as small businesses are concerned, how often they are inflicted with a burden of an employee going off for jury service. Some may cop it more than others, I do not know, but I would need to hear from other people about this. It is generally only the large employers who will find their employees being called up for jury service in numbers, and I am simply talking in gross numbers because they -

**Mrs Smith** - Could you perhaps expand, from your legal background, on how they decide who to call? It doesn't seem right that those calling jurors would know theirs is a big company, and so they could take some out of there.

**Mr PARKINSON** - I had people eligible who were office people. When I was in business they were not calling up lawyers for jury service and I still do not think they are but -

**Mrs Smith** - There were some exemptions under it, like teachers, doctors, nurses, politicians -

**Mr PARKINSON** - At one stage I had four clerical employees and there was never any demand for any of them to serve on a jury. It is a process of random selection, supposedly.

**Mrs Smith** - Okay, that's what I wanted to try to understand.

**Mr PARKINSON** - Jury lists are drawn up from the general populace of those eligible and on any given day a random selection is made from a list, although, there has been a previous random selection prior to that to draw up the array; they get letters to come in and then there is another selection on the day to decide who is called up. The overall impact on the employment industry, so to speak, is not going to be all that large given that there is something of a subsidy - or maybe most employers would not regard \$80 per day as being a sufficient subsidy from consolidated revenue.

**Mrs Smith** - When you consider that they may have to replace that person and pay them as well because it could be two weeks, two months, couldn't it?

**Mr PARKINSON** - It is an argument to be had, I guess. I do not personally have any problem with the idea of a component going into an award for jury service but no doubt people will have comments to make.

**Ms Thorp** - It is an important part of your civil life though, isn't it?

**Mr PARKINSON** - The honourable member is interjecting and I agree with her. Jury service has always been seen as a community service. Once upon a time, like JPs, members of juries were never paid. They were called up, expected to do their duty for however long it took and the employer was expected to do the right thing and keep their job open, although there was never any legal requirement for them to do that. The system, historically, has worked over time and governments have provided for some payment and I think the current payment is \$80 which is higher than it used to be.

I guess the rationale behind it is that the community as a whole bears the cost of jury service in one way or another so, under this system, you would have it partly out of consolidated revenue and partly out of the employer's profits, so to speak.

**Mrs Smith** - That's double-dipping because the employer pays twice; once in the tax regime like everyone else, then again personally.

**Mr PARKINSON** - It is discriminatory in the sense that not every employer has to bear the burden because of the random selection process. I do not know what a perfect system would be and I guess this bill is not going to provide it and I do not think that by way of amendment, this House, with this bill, will be able to implement a perfect system. I think that is the problem that we have and anybody proposing an amendment would have because how do you bring in a system that equitably distributes the cost of jury service?

**Mrs Rattray-Wagner** - Was it brought into the bill because of an issue or has it just been brought in because it might be an issue?

**Mr PARKINSON** - I think others would have to answer that but my general impression is that it becomes an issue with some employees who find themselves very out of pocket and still with mum and the kids to feed and bills to pay. I suppose that is the thinking behind it, that it is a way of trying to get some sort of just treatment for people who are not wealthy and yet who provide their service to the community. I accept it academically and it is a question of what sort of a system you can have that equitably distributes the burden. This is one way of doing it.

Back on my general line of thought, it seems to me that with these other provisions such as meal breaks, annual leave, personal leave, parental leave, jury service, redundancy and so on, providing for these minimums is one way of lessening the impact of what will be a huge effect once these Federal changes come into play, as it seems they will inevitably, which over time, of course, through competition, will cause significant erosion in the workplace. We cannot legislate to provide safeguards for everybody - we cannot legislate to provide safeguards for Federal employees, for example - but we can legislate to provide safeguards for people employed in Tasmania, by Tasmanians, our own civil service and so on. That, of course, is all this Parliament

can worry about. Having said all of that, Mr President, and caught up once more with my train of thought, I think I have exhausted my thoughts on the bill. I support the bill and commend it to the Council.