Speech By

Hon. Jann Stuckey

MEMBER FOR CURRUMBIN

INDUSTRIAL RELATIONS (MANDATORY CODE OF PRACTICE FOR OUTWORKERS) REPEAL NOTICE: DISALLOWANCE MOTION

Hon. JA STUCKEY (Currumbin—LNP) (Minister for Tourism, Major Events, Small Business and the Commonwealth Games) (8.29 pm): I rise to speak against the disallowance motion moved by the member for Inala on 7 March 2013 to disallow the Industrial Relations (Mandatory Code of Practice for Outworkers) Repeal Notice 2012 which was introduced as subordinate legislation on 13 November 2012. Whilst in opposition as the shadow minister for manufacturing, I saw firsthand the damage the Labor Party did day after day to small businesses and manufacturers as it slowly suffocated them under thousands and thousands of pages of regulations and red tape. I stood in this House and spoke against this code. I stridently supported our small businesses affected by this. For that I was labelled 'Sweatshop Stuckey' and I am sure some members opposite remember hurling those insults at me. So rather than saying that we did not oppose this in opposition, we opposed it on numerous occasions—all because I and the LNP were prepared to stand up for our small businesses. I am saying here tonight that the Newman government will continue to stand up for our small businesses. The mandatory code of practice for outworkers, which commenced on 1 January 2011, was another nail in the coffin of some 5,000 small businesses. Little wonder then that it was received most unfavourably by many stakeholders in the industry—those who knew about it, that is. Most had no idea, as they were not consulted and not advised. Boutiques in suburban Brisbane that proudly supported local machinists and beading workers were caught up in this, as were local manufacturers of sports clothing, and the only way they found out it applied to them was if they had a knock on the door from the departmental enforcers or a union member.

In opposition, the LNP constantly exposed the Labor Party as the small business destroyer that it is and in a private member's statement on 13 October 2011 I described this mandatory code of practice as a 'union-led witch-hunt of local clothing manufacturers and retailers'. I stand by that statement today and I commend the Attorney and the Newman government for repealing this ill-thought-through code. True to form when it comes to the private sector, Labor failed to engage or even attempt to engage with the industry at any stage of the implementation of the code. Industry consultation is historically a weak point for Labor, and this code was a clear example of this. From myriad industry stakeholders the overwhelming sentiment was that Labor failed to consult with them, failed to properly advertise the changes, failed to properly explain the changes and failed to implement them. It really had no idea what the code entailed or what it was doing to our manufacturing sector—and, worse still, Labor did not care. The pressing question that I continually asked of the Labor Party was: what was its reasoning behind targeting 5,000 small businesses like that?

Mr Bleijie: Preselection by the unions.

Mrs STUCKEY: I take that interjection from the Attorney. The Australian government business cost calculators produced some interesting figures in the textile industry compliance with the mandatory code for outworkers report. It calculated the annual cost to business to be 522 hours and $43,360 per year. The total cost to the Queensland economy was to be $21.6 million annually. So if

you are going to impose such a hefty fee on business, you want some justification for it—and the Labor Party had none. In audits conducted by industrial relations inspectors since 2003 right up to 2011, 140 employers had been audited and about $29,500 worth of wages in arrears were repaid to workers. That equates to about 50c per underpaid worker. So with the backing of 140 audits in eight years—less than 20 audits a year—the industrial relations minister at the time, Cameron Dick, decided he had enough evidence to support his claim that the industry was notorious for sweatshops. I say to members: that is 140 audits in eight years and $29,500 collected in arrears that should have been paid to workers. But we have a 'notorious for sweatshops' insult hurled at us.

So again I ask: what was the real reason behind the code, apart from making the lives of small businesses more difficult? As the shadow minister I undertook an extensive consultation process with many in the industry who were directly affected by the code. It was widely believed by many that the code was nothing more than legalised extortion by the Textile, Clothing and Footwear Union of Australia—the TCFUA. It was blatantly obvious to all who were affected that this code had nothing to do with protecting local jobs and conditions but had plenty to do with sourcing union members. It was a cover for rampant union fundraising activity—activity that went very close to demanding compulsory union membership.

Let me explain to honourable members how it worked. They are all ears, Attorney. Australian manufacturers are only exempt from following their state manufacturing codes if—if—they are accredited to the Ethical Clothing Australia code and the ECA is basically no more than a union front. So clause 10 stipulated that fees paid to the ECA—that is, Ethical Clothing Australia—were primarily to go to the TCF and the TCF had the responsibility for enforcing the compliance. Now, how cosy is that? Another grubby little Labor lurk! Further, clause 7 states that the accredited manufacturer, who must of course be with Ethical Clothing Australia, who arranges for outworkers to manufacture products must satisfy that the outworker is receiving the standard letter on union membership in accordance with schedule 7. The standard letter in schedule 7 includes phrases such as, 'As your employer, I support the TCFUA and you joining that union and you will not be discriminated against if you do so.'

Mr Bleijie: No, you're discriminated against if you don't join the union.

Mrs STUCKEY: Absolutely, Attorney. Then there was the fact that names and addresses of all workers and contractors had to be given to the union—how's that, all names and addresses of workers and contractors had to be given to the union—to comply with this code and it carried with it a very strong indication that this was pretty close to demanding compulsory union membership from all outworkers. These were very heavy-handed tactics and it is no wonder they were met with such strong criticism from the industry. Schedule 8 discusses licensing fees where a business owner affected provided an example where $400 must be paid annually for up to four employees working in-house to manufacture clothes. So basically—

Mr Choat: They're quiet about it now. They're quiet now!

Mrs STUCKEY: Exactly. So even if you are operating according to the law and paying your staff the current federal Fair Work awards, you need to pay a fee on top of that to be recognised to be doing the right thing. Pay a fee that goes straight to the union coffers! Business owners were left asking: what purpose did this code serve other than to create a culture where businesses bribe union officials to make them cease these unreasonable time-consuming demands on them and, further, asking only Queensland garments to go through vigorous and onerous reporting when 93 per cent of garments in Australia are made offshore?

Madam DEPUTY SPEAKER (Miss Barton): Minister. Just a word for those in the gallery: whilst we very much appreciate your being here to view democracy in action, I would ask that you do not lean across the balcony. If you could please take your seats, I would really appreciate it. It is for your safety as well as ours.

Mrs STUCKEY: When 93 per cent of garments in Australia are made offshore, this was viewed by the industry as unreasonable and discriminatory. In addition, asking a supplier to declare all their manufacturing costs to retailers leaves them exposed. But Jack Morrell, a TCF union official and also a representative of Fair Work, revealed designers names to the media without any contact with them for interview for their authorisation, and he did that to famous clothing company KooGa on the *7.30 Report*. As the shadow minister I took the opportunity to visit KooGa, a local manufacturer that was heavily targeted by the code to the extent that it was almost forced offshore. So whilst the Labor Party was shutting down our manufacturing business here at home, former Treasurer Andrew Fraser was very busy buying T-shirts made in Bangladesh following the 2011 floods. While punishing our local businesses, they were happy to endorse and buy cheap imports. So if you want to see a sweatshop, do not look in our backyard; go to Bangladesh, which the then Treasurer happily supported over Queenslanders.

In summary, there was no known consultation with the industry, no contact with industry partners to inform them of the change, there was the breach of the Privacy Act, the code was anticompetitive, the code created unnecessary bureaucracy and the code failed to do the very thing it said it would and that was to protect workers. We on this side will never condone the poor treatment of workers. That is simply not ever our ethics or our philosophy. We also accept the need to protect vulnerable staff, but this code did not do that. This code was an assault on our small businesses and nothing more than union thuggery.