



Speech by

**MIKE REYNOLDS**

**MEMBER FOR TOWNSVILLE**

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### **WORKPLACE RELATIONS AMENDMENT BILL**

**Mr REYNOLDS** (Townsville—ALP) (12.04 p.m.): Today I am delighted to speak on the Workplace Relations Amendment Bill and to emphasise its two central components: the retention of a relevant and up-to-date award system, rather than restricting our industrial relations system to 20 allowable matters; and the removal of QWAs from the industrial relations fabric of this State.

The previous Government's industrial relations policy mirrored the Howard Government's draconian anti-worker policies. The former Minister had a "me too" attitude; if the Federal Minister jumped, he jumped, too. Today we need to acknowledge the basic philosophical differences between the Government and the coalition on these matters. Our philosophy is very much encapsulated in this Bill today. The Liberal/National Parties' philosophy is against workers' rights. It has a bias towards employers and big business rather than employees. It has a hatred of unions and anyone who advocates for a better go for workers.

Before entering Parliament I spent two years as the president of the James Cook University National Tertiary Education Branch. In that work I had first-hand knowledge at that workplace level of how hard workers have to fight for their rights, especially against the onslaught of the anti-worker legislation brought into play in this House over the past two years and also at the Federal Government level. We can reflect also on two disgraceful attacks on Queensland workers during the term of the previous coalition Government. The first one I refer to is the attack on workers' rights through the emasculation of the Queensland workers compensation scheme. That was the most disgraceful attack on workers in the history of this Parliament.

I was the convenor of the Townsville Workers Rights Coalition, and I fought strongly against this repugnant attack on workers at the time. In common with other workers' rights coalition groups, we campaigned in marginal seats, including the seat of Mundingburra. The former member for Mundingburra, Frank Tanti, ignored this attack on workers compensation, I believe at his peril.

In the Parliament and in the community the former Minister for Industrial Relations pats himself on the head as he lauds and skites about how he successfully took away the rights of Queensland workers—the rights to a fair and equitable workers compensation scheme and industrial relations system. I find it amazing that in my short time in this Chamber no former coalition Ministers have been willing to admit that any of their policies were unpopular. They ignore the fact that they lost 12 seats at the recent State election, both in metropolitan Queensland and, of course, in rural, remote and regional Queensland. The industrial relations agenda of the coalition has been anti-worker, anti-family and unfairly biased towards business and employer groups. It is anti the battler, in favour of big business, against individuals and it smacks of the coalition's close association with the top end of town.

The other disgraceful attack on workers and their rights under Mr Reith's and former Minister Santo Santoro's industrial relations regime was the MUA/Patrick's dispute. When I visited Townsville's port, I was ashamed to see the Patrick security guards and dogs locking out the workers. That action was not only un-Australian but also strongly supported by coalition Governments at a State and Federal level. It was also an attack on workers whose productivity and efficiency was acclaimed by management. As the former chairman of the Townsville Port Authority between 1990 and 1996, I was aware that the port authority which had been targeted had increased its trade throughput by 100% in

that time, with about \$300m worth of development attracted to the port. That un-Australian attack on workers epitomises the blind philosophy of the Liberal and National Parties.

Another major attack on workers and those on static incomes is the proposed introduction of a goods and services tax. The Liberal and National Parties want not only to disadvantage workers with draconian industrial relations measures but also to further erode their standard of living. I wish to elaborate on some of the real inequities and disadvantages that the GST will impose on people living in regional and remote Queensland. It is hard to overstate the disadvantages and disincentives that a goods and services tax would introduce for people living in regional and remote Queensland.

For my constituents in the north, the inequities and overall negative impact will be felt very keenly in myriad ways, so much so that it is clear that Mr Howard's advisers have little concept of life beyond the metropolitan fringe. In fact, the inequities of the GST in regional Queensland parallel the inequities in the present IR laws, as they impact more greatly on rural and regional areas, where 51% to 52% of workers are covered solely by awards—something which highlights the need for a strong and viable awards system.

Some years ago a certain Australian historian made his name with a book called the Tyranny of Distance. Under the Prime Minister's GST, the tyranny of distance will take on a whole new meaning. It will feel more like persecution. Why? Because north Queenslanders depend more heavily on the transportation of goods than does the rest of Australia. Freight is a very large component in the cost structure of the north Queensland economy. We are one of Australia's fastest developing regions, yet our development is heavily reliant on the importation of the essential materials of life, such as food, clothing, building materials and vehicle components, from Australia's metropolitan centres many thousands of kilometres away. There is the rub. Because transportation is a service, it will attract the 10% GST. Add that to the cost of the product itself, which will also attract a GST, and honourable members will start to get the picture. From our point of view, this is a horror story.

Of course, the double whammy will also affect our own competitiveness. A GST will be imposed on every product that leaves north Queensland. Every time our tomatoes go from Bowen to the Rocklea markets or our exotic fruits leave the tablelands bound for the Melbourne markets, a hefty new cost component will have to be factored into the business transaction. So the inequities for north Queensland growers will be compounded. Because they do not live close to their principal markets, they will in effect experience a huge disincentive in that they will be paying so much GST on freight. Clearly, if there is one country in the world in which a GST is not suitable, it is Australia. The fact that nobody has ever considered the tyranny of distance when analysing the GST just goes to show how remote Canberra-based politicians and public servants are from the realities of life for people living beyond the Canberra-Sydney-Melbourne triangle.

Residents of regional Queensland already feel under siege, as evidenced by the result of the last election held in this State. They are under siege from the Liberal and National Parties which have imposed their ruthless and unfair industrial laws on them. If the Federal Government thinks it is going to woo over voters in regional Australia with a goods and services tax and an industrial relations neo-Right, anti-worker regime, then for the first time in my life I find myself in part agreeing with Bob Katter Jnr. They have rocks in their head or, to put it in Katter's vernacular, "Howard is a Kamikaze pilot." This head-in-the-sand attitude and sticking to a narrow individualistic "I'm all right, Jack" philosophy is, of course, illustrated again today in the Opposition's attacks on this Bill. It does not care about workers' rights. It does not care about the need for comprehensive awards setting workers' wages and living conditions.

One of north Queensland's major industries is tourism. By its very nature, tourism is a service industry, and a very competitive service industry at that. We are currently fighting a strong but noble battle to compete with tourism operators in South-East Asia. We know that the industrial relations agenda of the coalition impacts heavily on that industry, as does the goods and services tax. If honourable members have checked out the price of a holiday to Bali or Kuala Lumpur lately, they would have found that, with the Asian financial crisis, holiday packages in South-East Asia are going at ridiculous bargain basement prices.

The GST will be the straw that breaks the back of Queensland's second largest industry. Instead of coming to north Queensland to see the Great Barrier Reef and other attractions, holiday makers will fly over us on their way to nearby overseas resorts. In short, the tourism industry, which employs 125,000 Queenslanders, is going to be bashed around the head with an axe, to quote the Premier. Thousands of Queensland jobs will be shed. Everyone living in north Queensland will be worse off because that kind of a hit to an important industry such as tourism will have all kinds of economic ramifications.

On top of this, the Opposition in this Parliament and the Federal coalition Government want to wind back the awards rights of those 125,000 Queenslanders employed in the tourism industry and to continue an inequitable system of QWAs, which decrease the wages and working conditions of tens of

thousands of workers in the tourism industry. In contrast, this Labor Government is committed to the establishment of a modern and progressive system of industrial relations, which promotes stability and economic growth throughout the State. In contrast, this Labor Government strenuously opposes the twin evils of a GST, which will have major ramifications for Queensland workers and their families.

Given these very serious broad-brush problems with a GST, it hurts me to think about the other myriad irritations that this horrific so-called reform will impose on ordinary north Queenslanders. Every time they go to the supermarket, turn on their lights, pick up the phone, send their children on a school excursion or go to the cinema, they will be slugged by the Howard/Costello GST. The inequities will be felt insidiously in every aspect of their everyday life.

Take one example of relevance: community libraries play an important part in the social lives of regional Queenslanders, but they will in effect have a 10% budget cut, resulting in fewer new books. Borrowing a library book is one of the few entertainments left for people struggling to bring up a family—something that the Opposition would know little about—on \$25,000 or \$30,000 a year. Honourable members should imagine how the GST will bump up telephone and electricity bills coming into the house. As the Premier, Peter Beattie, put it recently, why should the hardworking people of Weipa, Winton and Woolloowin pay 10% more for their electricity and phone service just so that the millionaires of Woollahra can get a tax cut?

It is time that we started to recognise those aspects of our social and legal framework which have worked so well for us in the past. Everyone has change fatigue. The award system has worked well for the majority of Australians for many decades. It has underpinned some of the most dramatic development in the history of the State of Queensland and Australia as a nation. Likewise, we have survived and prospered without a GST. The country with the world's largest and most successful economy, the US, has survived and prospered without a GST.

It is time that we put a halt to the eager-beaver social engineers in Canberra who are keen to dismantle every aspect of our system without due regard for what has worked so well in the past. It is time to put a halt to the eager-beaver social engineers from the past two and a half years of the coalition Government who dismantled the industrial relations system in this State. It is time that we told the change merchants to proceed a little more cautiously. It is very clear that the electorate wants this to be the case. Let us preserve what is right about Australia.

A GST and taxation reform do not necessarily go together. This is a false coupling. It assumes that we cannot reform our taxation system without introducing a GST. That is factually wrong. There is mounting evidence around the world that a GST is not a cure-all or a godsend, but simply an economic tool with as many disadvantages as advantages. Honourable members should just ask the Canadians. It is wrong to suggest that a GST is a necessary component of taxation reform just as it is wrong to suggest that awards must go for the sake of economic growth.

Workplace agreements are not a cure-all or a godsend, just as a GST is not a cure-all or a godsend. We do not need a GST and we do not need QWAs. We have done well without them. Let us halt award stripping for the same reason that we should halt a GST. Both represent enormous change to our economic foundations and social fabric which are unwarranted and, in fact, quite damaging to the Australian way of life. I am simply representing the views of my constituents when I say that most Australians do not buy these false arguments any more. They have change fatigue and, when it comes to tampering with a system that has served us so well in the past, they want the ideologists in Government employ to proceed a lot more cautiously than they have in recent decades.

As for the Canberra duo, who suggest that the cost of a GST will be offset by proposed income tax cuts, who do they think they are kidding? By now just about everyone who can add up has figured out that the sums do not make a fairer system, but a system balanced in favour of the rich. As the Australian's national affairs editor, Mike Steketee, pointed out in that newspaper's weekend edition, the Government's tables exaggerate the benefits to lower income earners and understate them for those on higher incomes.

A very simple example tells the story. Food takes up a much higher proportion of the budgets of low-income households than it does for high-income households. So a GST on food is a significant impost on families already struggling to meet their budgets. Let us not forget that, in regional areas of Australia such as north Queensland, food costs more anyway because of freight. Factor in a 10% GST on top of that and one starts to see the folly of a GST in this country. The tyranny of distance is not something that existed only in the past. It is a keenly felt reality in the present for many ordinary Australians. The last thing that we need is a GST that actually feeds off that tyranny. The last thing we need is a disastrous tampering with our long-cherished award system with a system of workplace agreements that caters for the top end of town.

For someone with a lifelong interest in welfare issues, it worries me that Steketee and another well regarded commentator, Julian Disney, the President of the International Council on Social Welfare, point out that the so-called tax reforms do little to close income tax loopholes currently enjoyed by the

rich. In fact, Disney says that the tax package will encourage greater tax avoidance. As a consequence, he says, the net cost of the tax package would almost certainly be substantially higher than estimated because the reduction in tax avoidance is greatly overstated.

What a horror story! It is bad news for regional Australia. It is bad news for anyone except the wealthy. Is it any wonder that this proposal has been put forward by a Liberal/National Party team in touch with the boardrooms of Sydney and Melbourne but drastically out of touch with the great majority of Australians? The Australian ethos has always emphasised the importance of a fair go. Our very history reinforces the importance of social justice. It is time to obtain a perspective that takes into account the large and small realities of life, as most people know them, but we will need a change of Federal Government to get that into being.

Future historians will look back on this time in Australian history as a time when ordinary Australians have been under siege. Business profits, economic growth and development are only worth pursuing if they serve the overall community. We are now in a period when businesses attempt to convince us that we should perceive these ends for their own sake, forgetting that social justice, equity, health and a clean, wholesome environment are also integral to the wellbeing of Australian society. GSTs, workplace agreements, the winding back of our award system, economic rationalism—these are the catchcries of our times and they all have the potential to undermine the quality of life of ordinary hardworking Australians, the people who have been the backbone of this country despite their cynical treatment at times by big business and its sycophants.

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