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THE FUTURE OF AUSTRALIAN WORKPLACE RELATIONS
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Check against delivery

INTRODUCTION

Thank you to Mark Diserio for that introduction and the opportunity to speak at the 2007 Australian Retail Association's IR Conference.

The retail sector is a significant and diverse sector of the Australian economy. And a valuable one - in July retail turnover in this country was around \$16 billion, supported by a rise in household consumption over the past year of 3.9%.

The membership of the ARA is varied - food and liquor stores, hardware, fashion, news agencies, pharmacies and department stores. Your sector includes everything from mum and dad corner stores to some of Australia's top public companies.

This Conference is a perfect reminder for policy makers like me that governing is not just for big companies, not just for one type of employer, not just for businesses in certain geographic locations.

Just as the membership of the ARA reflects the diverse nature of business around Australia we must remember that one size does not fit all in IR policy or in practice.

THE FUTURE OF AUSTRALIAN WORKPLACE RELATIONS – WHAT DO WE KNOW ABOUT WHAT THE FUTURE HOLDS?

This conference is titled *The Future of Australian Workplace Relations*.

Of course none of us knows for certain what the future holds.

If I had a crystal ball I would spend my time today giving you answers to some of the many questions I get asked about the future – the election date, the election result and perhaps more interesting things – at least for the people of Melbourne, where we meet today - like the winner of the Melbourne Cup or the AFL Grand Final, the Boxing Day Test or what Kevin Sheedy will be doing next year.

But if Labor wins the Federal election we won't need a crystal ball to tell us what will happen to industrial relations in Australia.

In April, Labor released our industrial relations policy, *Forward with Fairness*. The policy set out Labor's plan for a new, modern and balanced industrial relations system for Australia should we be elected to Government later this year.

In April we said the policy was a substantive, but not an exhaustive, policy. That is why, one week ago, we released our industrial relations *Policy Implementation Plan*.

That document answered two key questions Labor said we would answer for the Australian electorate before the election.

Those questions were what would Labor's transition arrangements be, particularly for Australian Workplace Agreements.

The retail and hospitality sector is the major user of AWAs in Australia and so no doubt our response would have been of direct interest to you.

Secondly, what would Labor's system provide in the way of flexibility and certainty for Australian employers and employees.

I will speak in more detail about Labor's plan for a new, balanced industrial relations system shortly, but I want to make the point that today all Australians have a clear and comprehensive picture about what the future will look like for IR under a Rudd Labor Government following the election.

Certainly they will if they read Labor's policy documents and not all of the misrepresentation and scare mongering reported in recent days.

Labor has provided the Australian electorate with an unparalleled level of IR policy detail and practical detail over the past weeks and months. No one in Australia will have to enter a polling booth later this year without knowing Labor's plans in this important policy area.

Our policy shows Labor's fresh thinking on industrial relations.

It is yet another demonstration to the Australian electorate that Kevin Rudd and Federal Labor have a plan for the Australia's future in a range of key policy areas – education and skills; our health system; climate change.

Compare this to the policy inertia of the Federal Government and their failure to come clean about their future plans for Australia's industrial relations after the election.

Just like before the 2004 election the Government refuses to provide any outline, any clarity or any detail about their real intentions for the future of Australia's industrial relations system.

John Howard and Joe Hockey are instead content to sit back and try to claim that sixteen years of economic growth is all about their eighteen months old Work Choices law.

This position is laughable.

Indeed we have reached a stage where the Howard Government no longer talks about 'Work Choices'. Instead it runs scare campaign.

They suggest our policy is a return to centralised wage fixation, to pattern bargaining, to compulsory union collective bargaining where a union is not wanted by an employer or employees and to unfettered access for unions to all Australian workplaces. Joe Hockey was alleging earlier this week that under Labor full time employees will lose their entitlement to four weeks' annual leave.

Of course none of these are true.

The fact is, the more the Government makes these false claims about the supposed benefits of Work Choices and the more the Government makes false claims about Labor's plan for the future, the more their desperation shows.

The Government has not learned one of the key lessons from the Work Choices debacle – that imposing an unfair and unwanted industrial relations system on the Australian people, with no consultation, no education, no mandate – can not work.

Yet, here we are, merely weeks out from a Federal Election and all the Prime Minister will tell us, publicly, is that Work Choices is staying, but 'finetuning' may be needed.

'Fine tuning' is the language the Government has used for the past year about Work Choices.

Minister Hockey's consistent refrain is that despite the need for any fine tuning this Government certainly isn't for turning on the fundamentals of the legislation.

That was, of course, until the Government's pollsters Crosby Textor told John Howard and Joe Hockey that their Work Choices laws were deeply unpopular and needed fixing, fast.

The so-called fairness test is not a new policy direction for the Government. It was a pre election stunt based on bad poll results.

Apparently this morning, Joe Hockey admitted that the so called fairness test was "politically important" but it is all of you that have to bear the burden of it.

So what does fine tuning mean? Does it mean the so-called fairness test – the excuse for the current tax payer funded advertising campaign – will be reversed after the election?

Sensis data from 1800 small and medium businesses released yesterday showed that only 55% of these businesses were aware of the new fairness test.

And only 38% of that 55% had provided employees with a copy of the new fact sheet all employers must provide employees or risk \$110 fines.

So now small businesses are at risk of fines for failing to hand out propaganda.

Well, if fine tuning doesn't include the fairness test, does it mean perhaps an end to Australia's award safety net?

After all we know this is a wish of those who believe in further labour deregulation.

Does 'fine tuning' mean tying health care funding to nurses and other health workers being on AWAs like it has been for our universities?

Labor has published its industrial relations policies. But where is the Coalition's? I hope the Minister provided you with some answers this morning.

THE FUTURE OF AUSTRALIAN WORKPLACE RELATIONS – WHAT IS LABOR'S PLAN?

Labor is determined to create an industrial relations system that will increase productivity by getting the balance right between fairness and flexibility.

Labor's *Forward with Fairness* and our *Policy Implementation Plan* are consistent with our commitment to create a balanced and modern IR system in this country where we do not need to choose between fairness and flexibility.

We have also committed to providing a transition which gives certainty and stability for businesses and employees during the transition to Labor's new industrial relations system.

Firstly, let's talk about fairness.

To make workplace arrangements fairer, Mr Howard's unfair Work Choices laws will go and so will his Australian Workplace Agreements that have stripped pay and conditions from Australian working families.

We will have 10 National Employment Standards – standards that every employee in the workplace can rely on.

We will have a modern, simple award safety net that provides special protections for those who most need those protections.

And we will ensure that employees can take an unfair dismissal claim if they've been unfairly dismissed. At the moment, a good worker can be dismissed without any reason and without any remedy. That's not fair and it's not balanced.

However neither is it balanced for employers to have to go through open ended hearings before the Industrial Relations Commission, pay go away money or deal with employees who steal or who use violence at work.

That is why we have committed to the development of a simpler and easier system for employers and employees alike, including a Fair Dismissal Code for small business. These will be developed in consultation with Labor's Business Advisory Group and a small business working group to make sure we get the balance right and the system works fairly for all concerned.

Secondly, our policy will encourage flexibility.

We will have a flexible system. The award system will not apply to people who earn more than \$100,000.

People who are making their arrangements in Labor's new system and who earn more than \$100,000 will be guaranteed Labor's National Employment Standards, but they will be able to make flexible individual common law contracts that meet their needs and meet the needs of their employer.

We will also ensure that every award and collective agreement contains a flexibility clause to give award employees the flexibility upwards.

Thirdly, our policy will be introduced in a way that gives employers and employees certainty and stability.

We will make sure that the transition is sensible and measured.

Our full new industrial relations framework will not come into operation until 1 January 2010.

THE FUTURE OF AUSTRALIAN WORKPLACE RELATIONS – What does Labor’s plan mean for Australia’s retail sector?

I mentioned earlier that the retail and hospitality sector uses a high proportion of Australian Workplace Agreements.

The latest data from the Workplace Authority is that from the commencement of Work Choices to the end of June this year 70,000 Australian Workplace Agreements were made which covered employees in the retail sector, 23,000 employees were covered by non union collective agreements and over 153,000 were covered by union collective agreements.

Just like there are a variety of employers and businesses in the retail sector, there would be a range of reasons why Australian Workplace Agreements have been used.

Where AWAs have been used to take employees below the safety net, then Labor will not allow that to continue. We unashamedly say that the safety net should not be able to be undermined, unilaterally and without compensation to an employee.

Where AWAs have been used to get around a prescriptive award – particularly awards that may not have kept pace with the changing nature of the Australian economy, Labor says we will fix the award safety net as a priority. Our *Policy Implementation Plan* sets out Labor’s strong commitment to this task and our timeframe for the modernisation and simplification of awards.

Where AWAs have been used to provide genuine, individually tailored arrangements Labor’s system provides for individual flexibility in three key areas, as I outlined earlier – individual flexibility above \$100,000, flexibility in awards and flexibility clauses in agreements.

So, what will happen to AWAs in your sector under Labor’s policy? As we set out last week:

- Existing AWAs will remain in place for their agreed term.
- In early 2008, if elected, Labor will commence transition to our new industrial relations system. From this time no new AWAs can be made.
- During the two year transition period, individual transitional employment agreements (ITEAs) will be available.

These will be able to be offered by employers who already use AWAs to new staff and existing staff covered by AWAs. An ITEA will not be

able to disadvantage an employee with respect to an underlying collective agreement or award at the workplace.

- At the end of the transition period individual statutory agreements will no longer be available. However Labor will have modernised and simplified the award system and made collective bargaining simpler, easier and more flexible for business and employees.

In our view there will be no need for Australian Workplace Agreements under Labor's new system.

So, what does the future hold?

It is up to those of you here today, as it is up to all Australians at the forthcoming election.

And at the election Australians will have a clear choice.

A choice between Federal Labor's fresh thinking on a range of important policy issues – including industrial relations, with published, detailed policies and commitments.

Or a Government which has been asleep for 11 years on climate change, skills, education, housing affordability and health.

And a Government which has gone too far in industrial relations and wont share their plans for the future with the Australian electorate.

If only I had a crystal ball.

Thank you