

THE HON JULIA GILLARD MP

DEPUTY PRIME MINISTER

Minister for Education; Minister for Employment and Workplace Relations;

Minister for Social Inclusion.

TRANSCRIPT

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JULIA GILLARD: Obviously today, Labor's Transition Bill, our transition to Forward with Fairness is in the House of Representatives for debate, and I'll make some remarks about that a little bit later.

But today I want to announce an important step forward in Labor bringing its substantive bill to Parliament.

As we said last April, we would work in a consultative way to draft our substantive bill for the Parliament. And today I am announcing the Business Advisory Group and the Small Business Working Group that Labor will work with in drafting this Bill.

This was part of our policy commitment in Forward with Fairness and we are delivering on it today.

The Business Advisory Group with which we will work will be chaired by Mr John Denton the CEO of Corrs Chambers Westgarth, a major law firm that specialises in industrial relations. Mr Denton also has a strong personal involvement with the Business Council of Australia.

Ms Heather Ridout, of the Australian Industry Group, will also serve as a member of the Business Advisory Group. Ms Ridout will have the special job of playing a linking role between the Business Advisory Group and the statutory body, the National Workplace Relations Consultative Council.

The Business Advisory Group will include representatives of the construction sector, mining, transport, hospitality, retail, banking and the media industry. It will also include a representative of the labour hire sector.

The Business Advisory Group will have serving on it:

As a representative of the Housing Industry Association of Australia, Dr Ron Silberberg;

As a representative of the Australian Hotels Association, Mr Bill Healey;

As a representative of the Australian National Retailers Association, Ms Margy Osmond;

As a representative of the Recruitment and Consulting Services Association, Ms Julie Mills; they represent the labour hire, the on-hire industry.

As a representative of Ron Finemor Transport, Mr Ron Finemor himself;

As a representative of St George Bank, Mr Paul Fegan;

As a representative of News Limited, Mr John Hartigan;

As a representative of Mirvac, Mr Greg Paramor.

A representative will also come from Rio Tinto. As people may be aware, the current Managing Director, Charlie Lenegan is in the process of transferring to overseas, so the individual who will represent Rio will be later advised.

This Business Advisory Group is a specialist group to work on industrial relations. It will work consulting with us in the drafting of the substantive bill.

We will also work with a Small Business Working Group which my colleague Dr Emerson will describe in a moment and which he will chair as the Minister for Small Business.

That Small Business Working Group will be specifically tasked with consulting with Labor on the question of unfair dismissal, Labor's fair dismissal code and matters which are of particular concern to small business.

Our formal consultations on the substantive bill will also include the Australian Council of Trade Unions and we will separately consult the Australia Council of Social Services, particularly on the question of low wage workers about which they are directly concerned.

That's a process which will lead to our substantive bill. Our substantive bill will deliver on our policy. But in getting that bill right we want to work with business representatives and more broadly. And that process is the process I'm outlining today.

We will continue to have the statutory body, the National Workplace Relations Consultative Council meet and consider industrial relations issues and advise on the bill.

The National Workplace Relations Consultative Council includes representatives of organisations like ACCI, AIG, the MBA, AMA, the NFF, the Business Council of Australia and the ACTU.

We will also continue to work with the sub-set group of the National Workplace Relations Consultative Council, the Committee on Industrial Legislation, which will provide technical advice.

Both the National Workplace Relations Consultative Council and the Committee on Industrial Legislation played an invaluable role in working with us in the drafting of the Transition Bill that is before the Parliament.

On the Transition Bill that is before the Parliament today, can I say the following: I understand from the second reading speech of the Deputy Leader of the Opposition that it's the intention of the Opposition to move an amendment to Labor's bill. It's not quite clear to me at this stage the full contents of the amendment but it seems to be an attempt to extend Labor's Individual Transition Employment Agreements. That amendment is unacceptable to Labor and will be opposed.

We are delivering in this bill the policy we took to the Australian people. That policy very clearly said that our transitional arrangements would be for two years. They would be there for the period that awards were being modernised. They would not be there for any further period. And consequently, Labor will be seeking passage of its bill unamended.

On the question of the timing of the passage of Labor's bill, can I say the relevant Senate Committee has met today, the Committee that is inquiring into this bill, and it seems that the attitude of the Opposition now has moved from flip, flop and flap to fuddle.

The Opposition Senators at that meeting did not vote on a proposition to bring the reporting date of that Committee back to the date that Labor had originally sought. Consequently, that Committee will now report on the 17th of March, meaning that there is no reason other than Opposition obstruction why Labor's Bill cannot be through the House before Easter. That is the timeframe we always sought. That is the timeframe that accommodates the Senate Committee. And it's the timeframe on which the last round of workplace relations changes were dealt with by the former Liberal government. That is, it's a timeframe that requires the Liberal Party to apply to apply its standards to itself, the standards it set in dealing with the last amending round for Work Choices.

With those words I'll hand over to my colleague to describe the operations of the Small Business Working Group.

CRAIG EMERSON: Thank you Julia. Labor is fulfilling its pre-election commitment to consult with small business representatives on the development of a fair dismissal code for small businesses and more broadly on the unfair dismissal regime that will apply for small businesses.

The Small Business Working Group has been determined. We've contacted each member of that working group and they have gladly accepted the invitation to be on it.

They are:

Representing the Victorian Automobile Chamber of Commerce, Mr Perce Makin, who's the President.

Kieran Schneemann of the Pharmacy Guild.

Gary Black, Executive Director of the National Retailers Association

John Hart, of the Restaurant and Catering Australia

Greg Holmes, Hotel, Motel and Accommodation Association

Tony Steven who is the CEO of CosBoa, the Council of Small Business of Australia

Simon Ramsay of the Victorian Farmers Federation

Peter Bush who is the Chief Executive Officer of McDonalds

Andrew Arkell, Institute Chartered Accountants

Bryan Stephens, Real Estate Institute Australia

The first meeting of this Small Business Working Group will be next week. So we are hitting the ground running, fulfilling that commitment to have a system of unfair dismissal arrangements that are fair to small business and also fair to those 4.1 million Australians who are employed in small businesses.

Just briefly on that, we do not believe that it's fair that employees working in small businesses can be dismissed on the spot, for no reason, with no explanation and no remedy. But we also recognise the special circumstances of small businesses. They don't have the human resource management departments, they don't have the time to be involved in complex and drawn out legal processes. That's where the fair dismissal code comes in. We believe that we can get a simple code that if followed constitutes a fair dismissal. And that's why we'll be seeking the input of this working group to inform Labor policy and then we'll move on from there.

JOURNALIST: Ms Gillard, why should we have much confidence in these Business Advisory Groups given Rod Eddington and the last advisory group was never given much clout?

JULIA GILLARD: Well, this is a purpose-specific group on industrial relations. Obviously Sir Rod Eddington is involved in a broader task about consulting on business interests across government. This is a purpose-specific group. We promised that we would create it when we launched our Forward with Fairness policy. We promised we would create it because we wanted to hear the voice of business as we moved to implement our policy and to draft it into law. We are delivering on that promise today. And we will be working in a collaborative and consultative way with the...

JOURNALIST: Do you still use Rod Eddington...

JULIA GILLARD: ...Business Advisory Group

JOURNALIST: ...in any capacity? What is it?

JULIA GILLARD: Well can I say that Sir Rod Eddington was consulted about the composition of the Business Advisory Group. He is aware that it is our intention to have an industrial relations specific Business Advisory Group and was consulted about its composition.

JOURNALIST: Are you flagging, in comprising this group today that you're looking at putting forward the substantive bill?

JULIA GILLARD: What we're saying is we understand that drafting the substantive bill and getting it right is a big task. And if we look back to the former government's track record with Work Choices, the bill itself was technically flawed. Of course the policy was dreadful. The policy was about ripping off Australian working families. But even if one was just looking through the eyes of a lawyer or a technician, the bill itself was hideously flawed. It was badly drafted. It was not consulted on. And there were complaints from employer organisations about that lack of consultation and the technical flaws in the bill. It required multiple rounds of amending.

We don't want to go through that process. We want to draft a bill that is right. We think you best do that by working in a consultative and collaborative way. That's why we're setting up the Business Advisory Group, the Small Business Working Group, and why we will continue to work with the National Workplace Relations Consultative Committee.

JOURNALIST: What's the timetable for that consultation?

JULIA GILLARD: Well we will be getting on with it as quickly as possible. It's our intention that these meetings will start very soon indeed. But we will take the time to get the substantive bill right. And we've always been very clear with people in our policy before the election that this is a big job, it's in

the interest of employers and employees that it be got right from the start. And we will go through these processes to get it right.

JOURNALIST: It took the Howard Government a year to get its bill together.

JULIA GILLARD: Well, look, I know it took the Howard Government some period of time. And they didn't work in a consultative fashion and it was badly drafted in the end. We are obviously aiming to introduce this bill into the Parliament during the course of this year. We want to make sure that it is drafted properly. We are going through a very consultative process to do that.

And can I just illustrate the kind of consultative process we're talking about, to give you a flavour of how real and in detail it is: in the course of putting together the Transition to Forward with Fairness Bill - which is in the House today - we met with the National Workplace Relations Consultative Committee on more than one occasion. But the technical advisors, on the Committee on Industrial Legislation sat for many hours with the draft legislation and therefore were in a position as technicians to specifically advise on the draft. It's that level of openness and consultation that we want to replicate in doing the substantive bill.

JOURNALIST: Ms Gillard, is it your understanding that the Senate Committee is now going to report earlier, or just can report earlier?

JULIA GILLARD: Look, I've been advised by the Committee Chair, Senator Gavin Marshall, that a resolution was passed which means - and the opposition Senators did not vote on this resolution - that submissions will go to the Committee by the 29th of February. That was previously agreed. That there would be public hearings on the 6th and 7th of March, as previously agreed. That there would be a public hearing in Canberra and that the committee would report on the 17th of March 2008.

So let's, you know, get this into some context. Obviously, the Liberal Party, being the party of Work Choices brought Work Choices to this country and then defended it uphill and down dale in the lead up to the election. Labor stood for our proposition, Forward with Fairness, which included the Transition Bill and the ending of making Australian Workplace Agreements. When we brought that bill to the Parliament, it appeared that the Opposition was going to oppose it and was still going to argue for Australian Workplace Agreements.

It appears that there's been some change of heart in the Opposition. It's difficult from the outside to diagnose the circumstances of that. But the Opposition had, last Thursday, determined that they would delay the passage of Labor's bill. And they set a late reporting date for the Senate Inquiry to delay the passage of Labor's bill.

And they were never, in my view, seriously interested in the outcomes of the inquiry. If they were interested in the outcomes of inquiry in to industrial relations legislation, they would have behaved differently in government. If

they were interested in economic modelling of industrial relations legislation, they would have behaved differently in government as well.

So they were never seriously interested in this inquiry. It was all a delaying mechanism to keep Work Choices on foot as long as possible. We've said consistently to the Opposition, we want them to apply to themselves the same standards they applied in government. It appears from today's Senate Committee that the Opposition is now prepared to do that, and to agree with the Government, that the Transition Bill should be dealt with by this Parliament before Easter.

JOURNALIST: And you're confident there'll be a vote on it before Easter?

JULIA GILLARD: Well, if the Opposition now holds to this timetable – and they did have Senators there today who could have voted against it and those Senators did not vote. So I understand that the Opposition's moving from, you know, flip to flop to flap to fuddle. I can't predict where they're going to be in the next 24 hours. I can't predict where they're going to be in the next two hours. But what I know as of this moment is that they have agreed with Labor that this is the appropriate timetable for the bill.

And can I say, obviously in circumstances where it appears – and once again, in the context of the flip, flap and fuddle it's hard to tell – but it appears that they will vote for Labor's Transition Bill unamended, ultimately. Then clearly, the role of the Senate Committee is something less, because the bill, apparently, is going to get their support. Or at least, not be opposed by them when it's ultimately dealt with.

JOURNALIST: Can I ask, can I ask you about award modernisation? Your...

JULIA GILLARD: You certainly can.

JOURNALIST: ...process under Labor has three or four thousand awards across the country. You're going to reduce those to – or the IRC is going to reduce those – into a much smaller list.

There are different pay rates in all those thousands of awards. The pay for a retail worker in WA is much different to Sydney. Can you guarantee that as a result of your award modernisation program that no worker on an award will be worse off?

JULIA GILLARD: You would see from the explanatory memorandum that accompanied our Transition to Forward with Fairness Bill that we published our full award modernisation request; the request that will go to the Australian Industrial Relations Commission. And we've said to the Australian Industrial Relations Commission that amongst the aims of this process, the aim is to not disadvantage employees. And so that is clear on the face of the award modernisation request.

JOURNALIST: So how are you going to reconcile the fact that similar workers in different cities have much different pay rates? Does that mean that the lowest ones come up?

JULIA GILLARD: Well, the request as we've drafted it for the Australian Industrial Relations Commission sets a series of aims. One of those aims is to not disadvantage employees. One of those aims is to not add costs to business. We are talking about modernising the award system. We are getting good cooperation from industrial relations stakeholders who are enthusiastic to get on with that task. And they understand that if we are to have an award system and a safety net in this country going forward that we need to have a modern award safety net.

So Labor's system will be about our ten National Employment Standards for all workers and simple modern awards for workers who earn \$100,000 or less. The task of the Commission is to deliver those awards.

JOURNALIST: Is the aim then to have [inaudible] awards with nationally consistent items in them? Or will there just be simpler awards with inconsistent items?

JULIA GILLARD: We've said to the Commission that they need to get on with this job. We haven't specified a target number of awards. But what we have set is very clear criteria about what we want done. And I would point to the fact that the award modernisation request is not about taking current awards and shaving bits off them. It is about creating new, modern awards. And in that process we expect that the Commission will publish exposure drafts of the new, modern awards and people will then comment about those exposure drafts. There will also be involvement from industrial relations stakeholders before the exposure drafts are released. So we are talking about a process that's about new, modern awards; a safety net that workers can rely on. And can I remind – because I think in the confusion emanating from the Opposition's party room and its Leader and Deputy Leader, that this point may get lost: the significant thing about Labor's system which no one should ever forget is every Australian worker will be able to walk into a workplace knowing that there is a safety net for them and knowing that no one can strip that safety net away. At the heart of Work Choices, at the heart of Australian Workplace Agreements, at the heart of the Liberal party is a system which means a worker is at risk of having their safety net overridden and stripped away. That won't happen under Labor, it can't happen under Labor because we don't believe in ripping off Australian working families.

JOURNALIST: Ms Gillard, industrial relations has been one of the most bitter sort of issues across the political divide, why not now do something to build a bridge to the Opposition's clearly moved towards your position why not accept their amendments to extend on two years to another three years?

JULIA GILLARD: Because the Australian people voted and our bond of trust is with the Australian people and they voted for Labor's policy and Labor's

policy is absolutely crystal clear: no new Australian Workplace Agreements, Interim Transition Employment Agreements until 31st December 2009. The Opposition is prepared to treat the Australian people with contempt, clearly the Rudd Labor Government believes that the mandate of the Australian people is important and it should be honoured and it's being honoured in the latest bill.

JOURNALIST: If it's a matter of principle surely if all contracts are fair for workers in the next two years, they should be fair for workers in the future?

JULIA GILLARD: But when we get up on the first on January 2010, when we jump out of bed that morning, though noting that its New Years Day it might be a later start for some than others. But whenever people get out of bed on the 1st of January 2010 there will be a modern award system in operation, there will be National Employment Standards in operation, they will be a modern safety net and in those circumstances there is no need to have an agreement that overrides the safety net. No need whatsoever. Every agreement can build on the safety net, a collective agreement can build on the safety net, an individual common law contract can build on the safety net but everybody's got to get the safety net.

JOURNALIST: On the common law contract, sorry Ben. On the common law contract your explanatory memorandum says the problem with common law contracts is being they are subservient to awards and that's been the big problem, why you can have miners for example having people working different hours because the law says otherwise. Now I know that you are going to try somehow to restrict that but you're also going to object common law contracts to the 10 minimum standards which means some sort of oversight by another body, it's a pretty basic concept but is it just another way of introducing another form of individual statutory contract, its just called a common law contract but its not really, its some hybrid thing?

JULIA GILLARD: No it's a common law contract. And I would remind you the essential difference between a common law contract, is with a common law contract, you've got to get the safety net. No one can take the safety net away from you. To give an example if the safety net says that you must have in your award, if the safety net says you must have four weeks annual leave and that would be in your National Employment Standards but if the safety net says you've got four weeks annual leave, nothing can take that safety net away from you.

JOURNALIST: But who's overseeing it?

JULIA GILLARD: Well if you were a worker who went to work and you didn't get the safety net then you would ring Fair Work Australia, the compliance division and they would send out an inspector and that would get fixed for you because legally you are entitled to the safety net. The essence of Australian Workplace Agreements is they override the safety net and they let the safety net be stripped away. That's why under Work Choices we had examples like Billy, the minimum wage worker who lost everything; his penalty rates, his

shift loading overtime, his public holiday pay, his rest breaks, lost everything for not a cent of compensation. A common law contract...

JOURNALIST: Can you see though the counter argument because this oversight by another body, workers under these common law contracts have some sort of protection because of the 10 minimum standards therefore they become statutory...

JULIA GILLARD: No. If the other body is called the law and the law of this country is important and the law of this country provides today that if you are on a common law contract you've got to get the award and if you don't get the award then you are entitled to have that underpayment made up to you. It's the law of this country today; it will be the law of this country on the 1st of January 2010. What will be different is there won't be an industrial instrument, an Australian Workplace Agreement or any other form of individual statutory agreement that makes it lawful for that safety net to be ripped off you.

JOURNALIST: Ms Gillard what was wrong with pre - Work Choices AWAs?

JULIA GILLARD: What was wrong with pre Work Choices AWAs is we don't need a system going forward so rather talking about the past or talk about future. We don't need a system going forward that has individual statutory agreements that override the safety net when we will have a modern, simple safety net that is in the right form for the economy and for the working arrangements of working people in this era.

So we are going to modernise the safety net, its going to be there for people to rely on in those circumstances you don't need anything that strips the safety net away or allows the safety net to be overridden. That's the policy we took to the election that's Forward with Fairness, that's the policy that was endorsed by the Australian people.

JOURNALIST: Ms Gillard, what exactly can these business advisors advise on? You mention the mandate earlier, you're not willing to negotiate on a time frame as Julie Bishop suggested what's the point of having these people when there's nothing really they can negotiate with you, when you're policy is there, you want to implement it in the full. It's a fairly circumscribed situation for negotiation or discussion surely.

JULIA GILLARD: The policy is absolutely there and the policy will be delivered on. The role of these groups is to work with Labor on the legislative details to bring that policy to life. And can I tell you having worked in this consultative and collaborative way on the Transition of Forward with Fairness Bill as you take a policy statement and then ask yourself the question what is section 100 going to look like to bring this policy statement into life, there are always issues to discuss; issues for technicians, issues for people with experience on the ground. That's what these business advisory groups, the Business Advisory Group, Small Business Working Group and of course we will continue to meet the NWRCC and COIL that's the sort of discussion they will be having. Can I tell you the business community and business people

involved obviously think that this is a consultative process that's well worthwhile. The National Workplace Relations Consultative Committee and the Committee on Industrial Legislation was very pleased with the collaborative process we went through to deliver the Transition Bill. We want people involved in this collaborative process with the substantive bill.

JOURNALIST: In foreshadowing the investing in schools do you believe the stakeholders stayed (inaudible) will have enough resources to fill that gap?

JULIA GILLARD: Well let's be very clear about this investing in our schools, because I think there has been some publicity and some statements from the Opposition that have lapped clarity. Investing in our schools was always a limited life program. It was budgeted for in forward estimates with a limited life program. The former Prime Minister, John Howard when he announced the last funding round, he announced it was the last funding round and that was made clear to schools in that funding round. It was a program that was always going to come to an end. The question is what investment do our schools need now and Labor has outlined some substantial new investments, \$1 billion in making sure there are computers and information technology in schools, \$2.5 billion in making sure that there are trade trading centres in schools, our National Curriculum an important investment in quality. An investment having school develop shared facilities across public and private schools is part of the investment we are putting in. Our solar schools program to help schools move to dealing with era of climate change. All of these new investments are very important, they are part of our Education Revolution, they're being delivered by Labor and can I say they are being delivered very quickly by Labor with \$100 million for example for computers in schools this financial year.

JOURNALIST: Ms Gillard, just one more, what do you have to say to the readers of Ralph magazine today?

JULIA GILLARD: You always take that one question too many. I think what I said on radio today remains my position which is Jennifer Hawkins is a very attractive woman. I don't think I am, I am probably two foot shorter than her and I think am probably double her body weight and I will leave people to contemplate what that means about whether or not I should have appeared on that list. Thanks very much.

ENDS