

down, and that is something that in the current climate ought to be avoided at all costs.

The other group of people I feel anxious for in respect of this legislation are women workers. I covered some of the classes of persons who were eligible for membership of the union that I worked for for many years, and the majority of them were women workers. The vast bulk of them were part time and would fall within the category of low-paid workers. The wage gap between men and women in Australia is becoming worse. One of the direct consequences of that is the nature of the system and the way in which the bargaining arrangements operate. It is my fear that legislation such as this will help to increase that gap in rates of pay between men and women. Again, I make that suggestion on the basis of not fear but fact. In Western Australia, under the third wave regime that the minister seems at least partly keen to copy, we saw the gender wage differential—the pay equity gap, as it was called—increase over that five- or six-year period. Again, to give the minister the benefit of the doubt, I do not believe the intention of the legislation was to drive down the wages of the low paid, and I urge him to reconsider the practical impact of this legislation.

For the past century, the Industrial Relations Commission has been required to consider all the cases that come before it in a balanced way. It has consistently awarded pay rises without adverse effects on employment or on the economy. Indeed, provisions of the current Workplace Relations Act already require the commission to consider aspects of public interest matters and, in part, frame how it approaches this task. Therefore, the IRC should not be directed to make an assessment such as whether or not low-paid workers would lose their jobs before allowing minimum award wages to rise. The argument by the Minister for Employment and Workplace Relations, as I comprehended it—that one person's pay rise may cost another person their job—is simply not borne out on the facts, nor indeed in the examples that I have tried to present from Western Australia.

The outcome from last year's minimum wage case clearly exposes the flaws in the minister's approach. After workers on base

rates in all awards gained an increase of \$18 a week, contrary to federal government and other employer fears, jobs—if we can believe what the minister will tell us at question time—have grown and unemployment has dipped. That is clearly just another example of the government's continued fear campaign on a whole range of issues that affect the Australian community.

I also cannot miss what appears to be the absolute hypocrisy of a government that cracks down on the lowest paid in the community, renews its push for tax breaks for foreign executives and still fails to do anything about the outrageous executive payouts that take place on what seems to me to be almost a weekly basis. If we are going to deal with excesses, I do not think dealing with the lowest paid in the community is the place to start. Life for the low paid is tough; it is a constant struggle for many. Going without, juggling financial commitments and enduring the financial stress that this government continues to impose on them is life for many of these people in my electorate of Hasluck. A few dollars may not mean much to you, Minister, but to many of my constituents it is bread and milk at the end of the week. The low paid in the community need and deserve a fair and equitable system of wage increases. This legislation removes that right.

Mr ABBOTT (Warringah—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (6.14 p.m.)—In summing up the debate on the **Workplace Relations Amendment (Protecting the Low Paid) Bill 2003**, let me thank all who have contributed to it. I would say in response to the member for Hasluck that, like her, I appreciate that people on low incomes, people doing it tough, appreciate every extra dollar they get. Like the member for Hasluck and other members opposite, I and other members on this side of the House are very keen to see more money in the pockets of ordinary Australian battlers. Indeed, that is our light on the hill: to work for the betterment of mankind, not just here but wherever we can lend a helping hand—as Ben Chifley so fragrantly put it all those years ago.

Ms Gillard—How light?

Mr ABBOTT—Members opposite should not assume that that noble ideal is confined to members of the Australian Labor Party. It is a universal ideal, it is a fine ideal, and certainly there would not be a member on this side of the House who would not subscribe to it. The question is: how is it best done? The government's contention is that to try to put more money into the pockets of ordinary workers by national wage case decisions which do not take into account productivity, which do not take into account the particular needs of individual businesses and which do not take into account the relationship between the wage system, the tax system and the welfare system is, in the end, completely counterproductive.

This government's policy is probably best encapsulated by the title of the Peter Reith omnibus bill of 1999, *More Jobs Better Pay*. That is our objective: we want more jobs for all Australians and we want better pay for all Australians. We want a strong safety net for low-paid workers, but we would like to see an increased focus on enterprise bargaining for everyone else, either through certified agreements at state or federal levels or through individual contracts, formal or informal, at state or federal levels. Whatever else might be happening, something is going right because, as a result of the policies that this government has put in place, as a result at least in part of the workplace relations system that the government has put in place, we have more jobs, higher pay and fewer strikes. They ought to be the sorts of outcomes that everyone wants—1¼ million new jobs since March 1996, a seven per cent real increase in basic award earnings, a 12 per cent real increase in full-time average weekly earnings and strikes at their lowest level since records were first kept in 1913.

Without in any way wishing to impugn the motives or to doubt the integrity of members opposite, the truth is that the outcomes achieved under the old system—the system which members opposite still seem to hanker for—were not nearly as good. Under the former government's system, basic award earnings actually dropped by five per cent in real terms over 13 years and full-time aver-

age weekly earnings increased by only four per cent in real terms over 13 years. I know the member for Barton would say, 'Yes, but what about all those non-wage benefits which were provided?' I certainly would not want to completely write off those non-wage benefits, but at the end of the day people want money in their pockets—that is, 'I am in charge of the money in my pocket but someone else is in charge of the money that might be in my pocket but which has been taken out of it by the government for the government's own purposes.'

This bill is designed to address some issues which have emerged in the safety net wage cases—or the national wage cases, as some prefer to call them—over the last few years. The first problem is that the wage rises granted by the commission have, in the government's view, extended too far up the wage scale. Generally speaking, wage rises granted by the commission have flowed through to all awards. It is the government's contention that many people on award wages are comparatively well paid—certainly, some of them are earning average weekly earnings or more—and it is our contention that the safety net wage case should focus precisely on the safety net and that it should not be something which automatically flows through to people earning significantly above basic award earnings, sometimes double or even triple basic award earnings. That is the first issue.

The second issue is that the government believes that, in making its decisions—and this is not a criticism of the commission; it is simply an observation—the commission has paid insufficient attention to the employment needs as opposed to the income needs, as they might be supposed to be, of low-paid workers. In the end, the best thing you can do for a low-paid worker is to ensure that he or she can keep his or her job. In the end, the best thing you can do for an unemployed would-be worker is to try to maximise the number of jobs that he or she can reasonably hope to get. The sad but blunt truth is that, in many cases, one man's pay rise can cost another man his job. That lapidary comment, as far as I am aware, was first made in an Australian context by a very well-known and well-respected former minister in a Labor