

Dissenting Report by Coalition Senators

1.1 Coalition Senators do not support the Australian Jobs Bill 2013 and we write this dissenting report to highlight a number of the subjective claims and assertions in the majority report with which we do not agree. Coalition Senators are of the opinion that this legislation is unnecessary, poorly conceived and like so many other pieces of legislation before this committee during this term of government, it has been drafted with little stakeholder consultation. It is a part of a broader policy (or so-called 'Jobs Plan') which lacks credibility and clarity both in intent and the means by which it is being funded.

1.2 Furthermore, Coalition Senators are not satisfied that the bill is based on reliable statistics or evidence and agree with the point made in some submissions, that it is clearly not based on a rigorous cost benefit analysis.

1.3 Among our many specific concerns is also that there is not a demonstrated need for the establishment of the new government agency, The Australian Industry Participation Authority (AIPA). Especially when the Government seems unable to specify exactly how powerful and wide it wants its remit to be in enforcing compliance and applying penalties. Additionally, the proposed conditions around the 'trigger date' are confused and point to a limited understanding of how major projects are conceived and evolve.

1.4 Coalition Senators are concerned that a range of problems will be likely to accompany the reduction in the financial threshold at which projects will become subjected to Australian Industry Participation Plan (AIPP) requirements. Foremost among them are that this change will undoubtedly lead to an explosion in the number of the AIPPs that need to be produced and reporting requirements that need to be met. Indeed, it is instructive to note the Chamber of Commerce and Industry WA's calculation that these changes will mean that the share of affected projects will rise from approximately 6 to 26.2 per cent.

1.5 Coalition Senators also hold concerns that the bill appears to take no serious account of the development and history of the existing Australian Industry Participation (AIP) system, or the progress that has already been made in a number of the states on increasing local industry participation.

1.6 Whilst Coalition Senators acknowledge that there is widespread support for the basic principle that Australian firms should receive optimal opportunities to secure work on local projects, we note this is hardly a new revelation and is in fact one of the key reasons behind the Coalition's introduction of the AIP system in 2001. The revisions to the system to which the bill gives expression are misguided and will compromise rather than enhance its operation.

1.7 Coalition Senators are of the view that after the proliferation of more than 20,000 new regulations under the Gillard and Rudd governments, the last thing Australian industry needs is for another heavy-handed and complex set of regulations to be imposed. Sensible industry policy should be guided by the goal of reducing bureaucracy and red tape, not creating a substantial new labyrinth of it.

1.8 Proposals such as the establishment of the AIPA and the idea that the Government should seek to embed public servants into private companies' workforces to shape and perhaps even dictate their purchasing decisions are anathema to the objective of increasing the international competitiveness of Australian businesses. They should have no place in 21st century Australia.

1.9 Coalition Senators believe for all of the above reasons, it is not surprising that far from providing any kind of "broad based support" as suggested in the majority report, seven of the ten submissions received by the Committee raised multiple and significant concerns with the content of the bill.

1.10 Coalition Senators feel it necessary to express our concern that at the time of writing this report, the Industry Minister, Minister Combet, has pointedly refused to provide the Shadow Minister, Mrs Mirabella, with a briefing on the so-called 'Jobs Plan' of which these proposed changes form a part. Coalition Senators are advised that this is the first occasion during her time as a Shadow Minister that Mrs Mirabella can recall being refused such a request.

1.11 The Sydney Morning Herald reported on 18 February 2013 that the Government's plan is also clearly not based on a substantial injection of new funding, let alone its claimed \$1billion funding increase. In reality, its approach rests on a cut to the ICCSRTE portfolio of approximately \$600 million and it remains highly deceptive and mendacious to pretend otherwise.

1.12 The reticence and/or inability of the Minister and his officials to provide such information, and meet basic standards of public accountability in the process, naturally erodes our confidence that the Government can satisfactorily explain and adequately justify the reasons for its various proposed changes. As such, Coalition Senators do not support the introduction of this bill into the Parliament.

Recommendation 1

1.13 Coalition Senators recommend that the Australian Jobs Bill not be passed.

Senator David Bushby
Deputy Chair

Senator Alan Eggleston

