Speech by

Mr N. ROBERTS

MEMBER FOR NUDGEE

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WORKPLACE RELATIONS AMENDMENT BILL

Mr ROBERTS (Nudgee—ALP) (4.42 p.m.): This Bill is a welcome breath of fresh air on the industrial relations agenda. It fulfils the first commitment of the new Labor Government to restore some fairness to the industrial relations system in this State. In January last year, the coalition introduced its Workplace Relations Bill, which sought to decimate the trade union movement and cast as many workers as possible into the unknown and unprotected waters of individual bargaining. The days when industrial outcomes were predicated on equalising the bargaining power of employers and employees were numbered under the coalition's new Workplace Relations Act. The Workplace Relations Act stripped the Industrial Relations Commission of important powers to protect workers' wages and conditions, limited the ability of unions to effectively represent their members and had as its major focus a wages system based on individual bargaining between employers and employees. Two of the key provisions that facilitated this assault were Queensland workplace agreements and the stripping of awards back to only 20 allowable matters.

This Bill begins to reverse the anti-worker and anti-union provisions of the coalition's Act. It will do so by abolishing QWAs and removing the requirement to strip awards back to 20 matters. I will confine my comments in this debate to the abolition of QWAs. During the debate on the Workplace Relations Bill, Labor members argued that this first major step towards deregulation of the labour market would lead to an increasing number of lower wage, low skill and temporary jobs in the market. The Department of Industrial Relations report into QWAs confirms that concern. What a damning indictment that report is on the former Government. It is interesting to repeat and examine the goals set by the former Minister for the new legislation against the actual outcomes identified in the department's report on QWAs.

In November last year, the former Minister said that if Queensland is to compete and thrive into the 21st century, then the Government must take the necessary steps to meet the economic and workplace challenges of the future. He went on to say that those steps must follow the vision of an industrial relations system which encouraged harmonious relations, enabled people to work more productively while enjoying greater job satisfaction and higher standards of living, provided the flexibility to allow business to be efficient and innovative, provided genuine safety net provisions and encompassed the notion of a fair go all round.

With respect to QWAs, which were the vanguard of the coalition's reforms, the Minister said—

> "The introduction of QWAs will provide significant protections for employees under individual contracts and provides real opportunities for big and small businesses alike to introduce greater flexibility into their operations."

Let us consider the coalition's record with reference to its reforms and particularly to the experience of QWAs over the past 17 months since their introduction. The first point is that QWAs cover only 0.2% of employees covered by awards and agreements in Queensland. Significantly, 40% of the 1,506 employees who have entered into QWAs are covered under only two awards in the child-care and property sales sectors. However, the telling case against QWAs is revealed by an examination of their content. The departmental report states that a "qualitative analysis of QWAs reveals a 'substantial erosion of employee entitlements'." So much for the former Minister's claim that the reforms would lead to higher standards of living and provide for a genuine safety net!

Changes in QWAs that altered and significantly reduced award conditions were: 38.7% increased ordinary working hours; 53% increased the span of working hours; 69.4% removed or decreased penalty rates; 42.5% removed overtime provisions; 17.9% removed annual leave; 31.3% removed allowances; and 19.4% removed or reduced sick leave entitlements. Those findings are similar to the experience of New Zealand workers, who also had draconian anti-worker legislation forced upon them. In New Zealand, the evidence showed that collective bargaining by unions had collapsed resulting in the growth of individual contracts where comparative wage justice had collapsed and penalty and overtime rates were disappearing. In particular, the New Zealand experience revealed that the take-home pay of workers received a savage blow. In the first year of the new laws, approximately 50% of workers covered by the new arrangements experienced either a wage decrease or no increase at all.

The experience of Queensland's QWAs appears to be worse. In the first 17 months of operation, the QWA report reveals that 57.8% of QWAs gave no wage increase to employees. In those QWAs that did, the average wage increase was only 2.6% compared with 2.9% in awards and 4.1% in certified agreements. Certified agreements covered nearly 50% of the workforce. The report also pointed out that the marginal wage increases provided by QWAs is indicative of the relatively poor bargaining position that individual workers have, relative to those engaged in open collective bargaining under the auspices of the Queensland Industrial Relations Commission.

Despite the rhetoric from the now Opposition, that is the outcome they sought. Its claim of wanting to deliver fair wage outcomes was a sham. This report proves it. To deny this proposition is untenable. There was plenty of evidence available, some of which was highlighted by Labor during the debate on QWAs, that low wages were almost a guaranteed outcome. The impact on wages is only one of the key issues that deserves exposure during this debate. I reiterate a part of what the former Minister said in his second-reading speech, that is, that the new Act would provide "the flexibility business requires to be efficient and innovative in order to effectively respond to changing customer demands and increased competition".

Again, let us examine the so-called innovative provisions employers negotiated into their QWAs. The majority of changes to award provisions related to removing employee entitlements such as overtime, penalty rates, allowances, sick leave and annual leave. Little, if any, attention was paid to incorporating genuine productivity-based provisions that increase employee skill level. A comparative analysis of certified agreements, which are collectively negotiated with unions, revealed that those agreements were predominantly concerned with productivity-based improvements. The major focus was on features such as consultation clauses, training for additional skills, multiskilling, specific productivity improvements including continuous improvement processes, career paths, teamwork and so on.

Instances of reducing basic entitlements such as overtime and sick leave were virtually non-existent. This information reveals the real intent of QWAs: they are simply a mechanism to drive down the wages and conditions of vulnerable workers. The few examples outlined in the department's report where wages actually increased under a QWA provide no comfort to the former Minister. Those QWAs applied mainly to a small number of highly skilled workers and professionals who fell largely outside the award system.

The secretive nature of QWAs has allowed this disgraceful lowering of workers' wages and conditions to occur. Without the scrutiny of unions and the public generally, some employers have been able to formalise arrangements that most would find totally unacceptable. Very few individual workers can meet with an employer as an equal in the bargaining process. This is one of the fundamental reasons why it is important to have a strong and accountable trade union movement to represent the interests of employees in an industrial relations system that properly recognises the important role that they play. Experience across the world confirms that workers will be exploited where the power of unions is weakest. Evidence of wage outcomes in countries such as the United States and New Zealand, which have deregulated their wage determination systems substantially, confirms what members on this side accept as a given. The damning report on the QWAs prepared by the department adds further weight to our concerns.

Any suggestion that QWAs are entered into in a fair and open negotiation process can be dispelled easily. Evidence outlined in the QWA report indicates that many employers are simply providing a pro forma agreement for signature by an employee. There is no genuine consultation or negotiation, just simply, "Take it or leave it." Most people are in a far weaker bargaining position than their employer. Any industrial system that provides that wages and conditions are predominantly established by direct negotiation between an individual employee and an employer is unfair and does not take account of the reality of the power relationships that exist at the workplace level. In times of high unemployment and in an environment where job security is utmost in employees' minds, bargaining processes that pit one employee against the power held by an employer are unequitable and unjustified. Such industrial practices are anathema to any fair-minded person.

It is important to make some comment on the award system. QWAs were trumpeted as the vehicle to introduce flexibility and productivity improvements to workplaces. Evidence has proven this to be a sham. What has gone relatively unnoticed in this whole debate is the level of productivity and flexibility introduced into workplaces by the award system. Under the previous Goss Labor Government, reforms were focused on increasing productivity and enterprises through the modernisation of awards. This included, for example, modernising awards with respect to matters such as skills-based career paths and flexible hours clauses. It was the awards system which pioneered what is now held up as the key benefits of enterprise bargaining and which the coalition believes can be delivered only by an individual contract system. During my term as an industrial officer for the Electrical Trades Union, I worked with both employer associations and other unions to introduce many of these reforms to awards well before they became features of enterprise agreements. What was most disappointing about this process was that employers generally failed to take up the opportunities provided by the award system. They had been brainwashed by people such as the member for Clayfield to believe that flexibility and productivity could be achieved only by an individual contract system and not under the award system.

I look forward to future amendments to this Act that will provide a more viable, relevant and up-to-date award system for employees. The abolition of QWAs will deliver justice to many Queensland workers who otherwise would have been caught up in a downward spiral of wages and conditions. There are ample reasons to abolish QWAs. They have been used simply as a vehicle to erode employee entitlements. They are secretive, they are unavailable for public scrutiny and they have failed to contribute anything significant towards productivity improvements in the business community. I commend the Bill to the House.