Speech by

Mr S. SANTORO

MEMBER FOR CLAYFIELD

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WORKPLACE RELATIONS AMENDMENT BILL

Mr SANTORO (Clayfield—LP) (3.04 p.m.): The Opposition strongly and—dare I say it—passionately oppose the Workplace Relations Amendment Bill of 1998. We oppose it for many reasons. Each and every reason of itself represents a good reason to reject this amendment Bill. However, when considered together and in their totality, the argument and the logic for opposing an amendment Bill is overwhelming and most compelling.

The reasons stated by the Minister in his second-reading speech just do not stack up. In his second-reading speech, the Minister amongst other things claims that—

> the individual agreements are "secret and not subject to public scrutiny";
>
> "the secrecy of these agreements ensures that there has been no public debate on the advantages or disadvantages of this form of contract";
>
> QWAs "do not recognise an equal bargaining power which exists in the workplace, particularly for those most vulnerable in the community", and that "many of these workers have no choice in the current economic climate but to sign a QWA";
>
> the introduction of QWAs under the current legislation has been a dismal failure since their inception 17 months ago;
>
> the average annual wage increase granted in the agreements was 2.6% in comparison with the average annual wage increase for employees under certified agreements of 4.1% over the same period;
>
> 57.8% of QWAs gave employees no wage increases at all; and
>
> the focus of QWAs—the Minister claims—has been on repacking award entitlements such as removal of overtime provisions.

During this speech and during the contributions which will be made by others on this side of the House, the Opposition I believe will convincingly rebut and disprove the above doctrinaire and ideologically motivated arguments and will show this Government for being the union dominated Government which it is. We will be able to show that the Labor amendments to one of the coalition's finest pieces of industrial legislation—

> are anti-jobs, for they will discourage job creation and they will pose a threat to existing jobs because they are anti-business and, in particular, anti-small business;
>
> will encourage jurisdiction hopping and, therefore, make IR more expensive and bureaucratic for Queensland businesses;
>
> represent a back-to-the-future approach because they revert the Queensland industrial relations system back to an emphasis on awards—a one-size-fits-all complex and bureaucratic approach rather than an enterprise-based approach to industrial relation and agreement making;
>
> represent the response of a party that is dominated by an unelected and undemocratic union movement and its demands on the Labor Party for payback for the assistance it provided to the Labor Party Opposition prior to the election and when in Opposition.

The amendments reflect the Government's acquiescence to a union movement that is absolutely determined to put itself back in every agreement making option—something which will be achieved through the elimination of QWAs because the QWA is the agreement making option within the coalition's legislation that provides employees and individuals within a

workplace the genuine opportunity and possibility of entering into a work contract without the union being involved. In other words, the union movement and its Labor Party puppets in this place are adopting a winner-take-all attitude or, as the ACTU secretary John Thompson so eloquently but so crudely put it on the public record, "to the victors go the spoils".

The amendment Bill should fail because the spoils should not go to the victors purely because the victors feel that they now have the numbers within this Parliament. The spoils should go to the just and, in this particular case, it is the QWA cause which is a just cause. Therefore, we should not be talking of QWAs or their elimination in terms of spoils, but we should be looking at QWAs for the benefits which they provide to individuals, enterprises and the economy as a whole.

The coalition Government's industrial relations legislation provides for, amongst many other things—

> genuine choice in agreement making options—choices which provide sensible and mutually beneficial flexibility; and
>
> freedom of association and, of course, the absolutely necessary enterprise focus.

Under the coalition Government's industrial relations legislation, Queensland led the nation in employment growth and significantly experienced reduced unemployment in terms of both the rate and absolute numbers. Clearly, the coalition's industrial relations and also its many other beneficial policies were and still are working.

During the 17 months when the coalition's industrial relations laws were in operation there was a massive decline in industrial disputation in Queensland. In other words, unions could not and did not mount credible industrial relations action because they were either happy with our laws or were too scared to undertake massive industrial disputation for fear of offending the great majority of people who either are not in the union movement or who, even if they are, would have accepted the coalition's industrial relations laws as being both good and effective, particularly in terms of creating industrial harmony and employment.

The Queensland public was happy with the coalition Government's industrial relations policy because they felt that they had contributed tremendously to their formulation and their implementation as a result of the extensive consultation process which was adopted by me as Minister and my department prior to the introduction of the reforms. This approach is in marked contrast to the actions and the attitudes of the Beattie Labor Government and the current Minister, who have introduced these amendments to fundamentally good legislation with almost absolutely no consultation other than that which occurred between itself and its union mates.

There was overwhelming acceptance of the coalition's industrial relations reforms by the business community as the editorials of the day clearly show. I now table those editorials particularly for the benefit of honourable members who may be new in this place. Even more importantly, those QWAs that have been approved by the Industrial Relations Commission are good industrial instruments, irrespective of the misrepresentations and scaremongering of members opposite.

Perhaps the most dishonest representation of this tactic was the ministerial statement made in this Parliament by the Minister last Tuesday in relation to QWAs—a statement which drew heavily on what I and the coalition Opposition consider to be a discredited departmental report which sought only to tell half the story rather than adopt a balanced evaluation of how QWAs are working. We on this side of the House will tackle this last issue in a most definite and very strong manner because I regard the attempt by the Minister to smear the QWA process as an intellectually dishonest one which seeks to cast a smear on the approximately 2,000 people who have entered into QWAs in Queensland under the coalition's industrial relations legislation.

I now wish to address in some detail the various arguments that were put forward by the Minister. Before I do so, let me briefly comment on the issue of consultation—or should I say the lack of consultation—in relation to the amendment Bill before the House today. It is interesting to note from the green Explanatory Notes that accompanied the amendment Bill under the heading "Consultation" the words "relevant consultation has been undertaken". It is interesting to juxtapose this statement with the advice that the QCCI has distributed to members on both sides of this House. That advice includes the following—

> "There has been no consultation by Minister Braddy with employer organisations before these changes were announced and we hope that with future workplace relations changes we will see a greater level of consultation and cooperation with business. It is interesting to note that the Taskforce set up to review the Workplace Relations Act had not been given the opportunity to consider these two major industrial issues and in fact it did not meet until Saturday 8 August 1998 after the Bill was introduced."

The Opposition rejects any claim by the Minister in terms of consultation as another misrepresentation of due process. It should have occurred but, as is customary under Labor Governments, it failed to occur.

The Government claims that QWAs "do not recognise the unequal bargaining power which

exists in the workplace, particularly for those most vulnerable in the community" and that "many of these workers have no choice in the current economic climate but to sign a QWA". This is patently not true, given the application of the no disadvantage test provisions within the Act which, I say from the outset, is the Labor Party's no disadvantage test which was maintained in the coalition's industrial relations legislation.

Before approving agreements, a Commissioner, for certified agreements, or an Enterprise Commissioner, for QWAs, must be satisfied that the agreement does not disadvantage employees in relation to their employment conditions. The no disadvantage test is a comparison between the terms and conditions under the agreement and the terms and conditions under the relevant award. Where no award applies, the commission may designate an award for comparison purposes. In one particular scenario—when the parties seek approval for a QWA where there is a certified agreement already in place which does not make express provision for a subsequently made QWA to override it—the no disadvantage test for a QWA is made against the relevant certified agreement rather than the award.

If the commission considers that on balance the agreement would reduce the employee's QWA or employees' CA overall employment conditions, it can refuse to approve the agreement. If an agreement does not pass the no disadvantage test but the commission is satisfied that the agreement would not be contrary to the public interest, the agreement can be approved.

It is also noteworthy that the no disadvantage test applies in quite a number of parts of the Workplace Relations Act. For example, in the definition in clause 116(1) it is said that—

> "An agreement passes the no disadvantage test if it does not disadvantage employees in relation to their employment conditions."

Under certified agreements the passing of the no disadvantage test can be found in clause 116(2)(a) compared to the relevant or designated award. Under the Queensland workplace agreements the passing of the no disadvantage test provisions can be found as follows: in clause 116(2)(b)—QWA when there is a certified agreement with a QWA provision compared to the relevant or designated award; in clause 116(2)(c)—QWA when there is a certified agreement without a QWA provision compared to a certified agreement; and in clause 116(2)(d)—QWA when there is no certified agreement compared to the relevant or designated award. In all the above, the Enterprise Commissioner may also consider any other law of the Commonwealth or a State that he or she considers relevant. In view of comments made by members opposite, that is a very relevant provision indeed. We will talk about that later on.

The question that needs to be asked is whether the application of the no disadvantage test has worked. There is substantial evidence to suggest that the no disadvantage test provisions within the Act have worked very well. I believe just over 40 QWAs have been refused by the Enterprise Commissioner. I am uncertain of the numbers because I have not been provided with up-to-date statistics, but I believe some 60 to 70 QWAs have been withdrawn by employers and employees once they realised that the no disadvantage test would not be passed. That in itself is a good indication that the no disadvantage test is working where QWAs are either refused by the Enterprise Commissioner or are withdrawn before they go to her as pre-moves to register QWAs are entered into. This clearly indicates that the Enterprise Commissioner has been applying the no disadvantage test, as she is obliged to do under the terms and requirements of the Workplace Relations Act.

I now wish to turn to the evidence which has been presented to the Parliament and to the broad public during the period of time that the Workplace Relations Act has been in operation in relation to the application of the no disadvantage test and the alleged abuse of employees covered by QWAs. To the very best of my knowledge, not one instance of QWA abuse in Queensland was raised either inside or outside the Parliament by members of the Labor Party Government—the then Labor Party Opposition—the then shadow Minister, their trade union movement allies or any other individuals during the term of the previous coalition Government.

I asked the officers in my department to keep a vigilant and close eye on and to monitor any abuse and I was absolutely diligent in the way that I wanted that particular task to be undertaken. Not once did my department, the shadow Minister, the trade union movement, the Opposition or any other individual advise me of any abuse.

Mr Welford: It was all "Yes, Minister", was it?

Mr Schwarten interjected.

Mr SANTORO: I will take the interjection. We will have on record the interjections of members who accuse my departmental officers. The majority of my officers were fine officers and they were never subject to the "Yes, Minister" syndrome.

If QWAs were, in fact, leading to the outcomes which the Minister has detailed in his second-reading speech—outcomes which he states are the reasons for the abolition of QWAs—a political and trade union Opposition would have been very active when the coalition was in Government in highlighting such outcomes. That they did not do so, either in the Parliament or even during the State election,

clearly indicates that the claims by the Minister were, and still are, spurious and sensational and clearly are unable to be substantiated. Obviously and acutely aware of this fact, which cannot be denied by the performance or, dare I say, the lack of performance by the Minister opposite when he was the shadow Minister, when the Labor Party took over Government he, the Minister, commissioned a report titled a Report on the Effect of the Introduction of Queensland Workplace Agreements. He was able to do so because the then coalition Government made provision in the legislation for those sorts of reports to be commissioned. The Minister did so, and that was a fair thing to do.

Honourable members will recall that the Minister was forced to table this report in the Parliament yesterday by the actions of myself and the Opposition, and during that tabling he also made a ministerial statement to the Parliament in relation to the report. As an aside, during that debate the Minister sought to—I thought in a very dishonest manner—suggest that for whatever reason I did not wish that report to be tabled. This Minister now demonstrates in this Parliament his propensity to engage in the dissemination of untruths, because, as I stated in an interjection, I wrote to the Minister on 21 August 1998, that is, last Friday, requesting that the abovementioned report be made available to me and the Opposition in the interests of informed debate.

I table a copy of the letter that I sent to the Minister dated 21 August 1998 and the facsimile transmission sheet, which clearly indicates that what the Minister said in relation to my so-called and alleged desire to keep the report out of public debate was at least very mischievous and, at worst for him, very misleading. Parliamentary rules forbid me from using stronger language, but I believe that the Minister and other reasonable people listening to this debate will understand what I mean. I reject the allegations made by the Minister and clearly inform him that whenever he utters either an untrue or misleading statement in this place, particularly in relation to myself, I will spare no effort to ensure that this is clearly demonstrated on the record not only in the Parliament but in the public at large to let people know what the Minister is getting up to.

I now wish to get back to the substance of the report which, I should say from the outset, is very thin and very easily dismissible. As I have already stated publicly, the report which was tabled in the Parliament yesterday by the Minister tells only part of the story of the successful operations of QWAs. The report and the Minister's statement to the Parliament focused almost exclusively on those aspects of QWAs which have led to increases in the number of hours worked by employees and in the alteration of certain other conditions of employment. What the Minister and the report did not outline or bring to the attention of the public are the benefits which QWAs provide to workers, including flexible working hours, which enable employees to better meet their family responsibilities.

It is instructional to note that, in the QWA report on page 11, it is stated by the authors of the report that—

> "... generally the No Disadvantage Test has ensured that financially, employees are no worse off."

This is an amazing admission from a departmental officer, as is his gratuitous editorial comment—

> "... that in some cases QWAs have been used to introduce practices that might be inappropriate or which may safely disadvantage Queensland workers and their families, such as increased hours of work or 'cashing out' leave entitlements."

Such gratuitous comment clearly ignores the existence and the potential of many situations where it is very preferable for employees and their families that they cash out certain entitlements. There are many examples that come to mind which make cashing out of benefits desirable, for example, the paying out of a motor vehicle lease, the paying of holidays and the financing of house extensions. Those are some of the examples given to me by people who have entered into QWAs.

The question needs to be asked in this debate: why should a bureaucrat decide what is socially advantageous or disadvantageous? Why not give employees and their families the choice to decide what is good for themselves and not have Big Brother do the job for them? The report that was tabled in the Parliament yesterday is obviously the work of an individual or a group of individuals who clearly were sent on a mission by the Minister to come up with a report that told only the story which the Minister and the Beattie Labor Government want us to hear. A report of this nature should be compiled by someone who is genuinely independent of the process of making QWAs and policy relating to it. Of course, in making this statement I am not being critical of the department as a whole, but I certainly am being critical of the process which the Minister and his director-general have adopted in pursuit of an ideologically based report which brings little credit to the pursuit of genuine research and scholarship in such reports.

The question can also be asked: how many individual employees were consulted in the compilation of the report? How many came forward and complained to the authors of the report about the provisions of the QWA under which they were employed? I suspect that not one single person was spoken to and not one complaint was brought to the attention of the Minister, the authors of the report or the new Government about the operation of QWAs. This was the case when I was the Minister and the

coalition Government was governing. But in the end, it cannot be denied—as recognised by the report itself—that the no disadvantage test has worked well and that certain hitherto traditional employment conditions had been varied by QWAs, and this has always occurred in a bargaining off situation where the worker cannot be made worse off and, most importantly, where free choice is able to be practised in terms of agreeing to employment conditions to be included within a QWA.

I have heard certain unions, including a union official this morning, claim—and the Minister claimed in his statement to this Parliament—that some of the provisions within the QWAs in this State may be in breach of other laws. If this is the case, what has the Minister or the relevant union done, or what will they do in terms of seeking redress on behalf of the alleged and possibly aggrieved worker? I suspect that they will not be doing very much, because I doubt that a QWA which may have been in breach of another law has been approved by the Industrial Relations Commission. I again ask the Minister whether he is aware that such a law has been breached by a QWA, and what are he, his union mates or the aggrieved people doing to test that spurious claim, which I believe cannot and will not be substantiated? So the report upon which the Minister bases his opposition to QWAs is, I believe, a flawed report and what I believe and the Opposition believes——

Mr Purcell: You know what the Employment Advocate says, "Go and get a lawyer." That's what the Employment Advocate says.

Mr SANTORO: In an aside to me a few minutes ago, the honourable member said, "I have received plenty of complaints, but they apply only to federal QWAs." I said, "You have received no complaints about State QWAs, have you?", and the member admitted that he had received no complaints about QWAs.

Mr Purcell interjected.

Mr SANTORO: I have been taking interjections from the member ever since he started making them. I believe the honourable member for Bulimba when he tells me that. I have credited him with being perhaps the most sincere individual on that side of the House when it comes to actually listening to people who come to him with complaints. So if he tells me that he has not received any complaints about QWAs, and if he has changed his mind since he told me that, he will have a chance to say so, or he can tell me how I have misunderstood him. That is fair enough. He will have that opportunity.

Mr PURCELL: I rise to a point of order. I did not know that my remarks were going to be quoted in a speech. I did not tell the member that I had received no complaints from the State area. I said that I had received complaints about Federal awards. One of them was fairly well documented on TV and in the newspapers, because two of my constituents were getting robbed. My daughter was involved in another one, which was a State one.

Mr DEPUTY SPEAKER (Mr Mickel): Order! There is no point of order.

Mr SANTORO: I have only 36 minutes left, and I do not mind being generous with the honourable member's interjections, but I really need to put forward the Opposition's viewpoints. I note that in that personal explanation—it was not a point of order—the member referred to QWAs. I am not quite sure if the honourable member is with it, but, undoubtedly, he will explain what he means later.

As I was saying, the report upon which the Minister bases his Opposition to QWAs is a flawed report. I and the Opposition believe that there should be an independent evaluation of the operation of QWAs and not an evaluation by one or several departmental officers who are inclined to give the Minister the report that he wants.

If we consider what various and responsible employer and employee organisations and individual employers have said about QWAs, we can quickly gain a very different impression to that which the Minister is seeking to inflict on the consciousness of members in this place and on the outside world. I will not go into much detail about the comment that has been provided to members in this place, because I know that other members who will follow me will be speaking at length about that. For example, the management of the Gympie Eldorado Gold Mines has very eloquently and, I think, fairly put on the public record the great advantages of QWAs as they have been applied within that company. They demonstrate that QWAs have led to industrial harmony within their workplaces, to improvement in productivity, to improvement in workplace health and safety practices, to improvements in morale and, of course, the overall pay and conditions that are enjoyed by workers within that particular company. L. J. Hooker has written to all members of Parliament, stated its very strong support for QWAs and noted the very high level of acceptance within its industry of QWAs, which they say "would not have been achieved unless the agreements were fair and equitable to both parties".

Of course, members here would have received very strong representations from Clubs Queensland and, in particular, from the executive director of that employer association, former Federal MP Garrie Gibson, who again discussed the observed enthusiasm directed towards Queensland Workplace Agreements from employees in the club industry and indicated that such agreements will "assist in the creation of an efficient workforce whilst promoting positive relationships between all parties in the work place".

Mr Borbidge: A former Labor member.

Mr SANTORO: Yes, he is a former Labor member and now, it would seem, a greatly enlightened former Labor member.

The Australian Sugar Milling Council has also written to members in this place and said—

> "The concept of individuals choosing to take control of their own business is important in employment relations and human resource management. Under the terms of the present Act an employee can negotiate a workplace agreement (QWA), and that agreement will deliver to the parties a mutually appropriate set of employment terms and conditions."

They make the further and interesting observation that—

> "... while the now 'successful' certified agreement provisions were accessed at a very slow rate in the first few years of operation, as employers and employees have become used to negotiating certified agreements, their number has greatly increased. A similar pattern of take up could fairly be expected in the case of QWAs."

So there you have it, Mr Speaker. That is a representative sample of employers and employer organisations. Of course, I could go on and quote extensively from representations I have received from the Queensland Confederation of Industry, from the Local Government Association and from many other employer organisations, all of whom favour the retention of QWA provisions within the Workplace Relations Act, not because they represent people who seek to abuse their employees but because they represent people who wish to enjoy the practice of choice within agreement-making processes in the workplaces and who will be less inclined to employ people should provisions such as the ones that we are debating today receive the support of this Parliament.

The Opposition utterly and totally rejects the innuendo within the statement made by the Minister yesterday in this place and the innuendo contained in the report that he used as the basis of his statement as it relates to what I believe is a flawed report on the efficacy or otherwise of QWAs in relation to the benefits enjoyed under QWAs by employees covered by them. I again ask the Minister to undertake a proper review of the impact of QWA provisions within the Workplace Relations Act. That review should be undertaken by a genuinely independent and detached individual who has the expertise to go about doing the job and doing it in the best interests of everybody involved in Queensland workplace agreements and in Queensland workplaces generally.

There are several other provisions within the Workplace Relations Act that aim to protect employees, particularly those who are, as I have just stated, in a position of relative power weakness. The Enterprise Commissioner is able to become involved in dispute resolution if the parties to a QWA make that provision in an agreement. The Employment Advocate will provide help and advice to both employers and employees on their respective rights and responsibilities under the Act, including providing advice in relation to the relevant entitlements and statutory provisions for the purposes of making QWAs.

I will divert briefly from my prepared text to place on record my appreciation for the very good work that has been done by the Acting Employment Advocate, who has been a long-term senior employee of the department under both Labor and non-Labor administrations and who I believe has been applying the fair and equitable provisions of the Act in a very comprehensive and fair manner. Any suggestion that anybody, including the Employment Advocate, would simply refer an employee who comes to him for advice to the lawyers is not referring to the Employment Advocate who was appointed during my time as Minister. That particular Employment Advocate has been doing a good job. If he remains the Employment Advocate, he will continue to do a good job.

The Employment Advocate is also responsible for investigating and remedying complaints and alleged contravention in relation to QWAs. The employer and the employee are also allowed to appoint a person to be a bargaining agent for the making, approval, amendment or termination of an agreement. That means that no party is in a position in which they cannot draw on support or assistance in negotiating their position within a QWA. I believe that they are significant protections. They are sufficient protections. As I have said, the fact that honourable members have not been able to mount a case during the operation of QWAs in Queensland since the legislation was put through the Parliament is ample testimony to the adequacy of those protections. Earlier, one honourable member uttered in a rather stupid manner——

A Government member interjected.

Mr SANTORO: I will take the interjection about Gordonstone. Prior to coming down to this debate I received a comprehensive briefing in relation to it. I place on record that I believe there is no doubt that the decision by the Industrial Relations Commission is a regressive decision. In all probability, it will again militate directly against the main stated objective of this Government, that is, jobs, jobs and jobs. It will militate against the achievement of that cherished but impossible dream of the Premier of a 5% unemployment rate. Honourable members on the backbenches can gloat and skite about that decision, but month after month the Opposition will continue to remind the public of Queensland and the

Government of the futility of policies such as the ones that we are debating in this place today in terms of the achievement of their employment goals. That will come to pass. It will bring us no great joy to remind people of just how futile are the policies of this Labor Government in terms of job creation.

I deliberately go on the record stating my view that that decision by the Industrial Relations Commission will not assist the Government's job creation efforts.

Mr Schwarten: Are you critical of the commission?

Mr SANTORO: Am I critical of the Industrial Relations Commission? Just like any other member of the community, I state an opinion, as have the unions. I heard the unions state what a great decision it was. I heard some employer organisations say that they were not pleased with it. I am simply stating what I believe is the impact of that particular decision.

The provisions within the Workplace Relations Act that talk about confidentiality are not provisions that are, in fact, about secrecy. Clause 110 provides that an Enterprise Commissioner must not publish a decision or interpretations about a QWA in a way that discloses the identity of either party. I believe that this is a reasonable provision since it is appropriate that the personal dealings of two parties are not a matter of public record. This is no different from any other commercial transaction that does not have any wider impact.

Clause 75(3) protects the individuals in QWAs since there is a prohibition on terms that would restrict—and I stress "restrict"—disclosure of the details of the QWA by either party to another person. So while there is confidentiality, a party cannot coerce the other into secrecy. In other words, the parties can determine who they tell. For example, the employee can discuss the agreement with his or her union or a solicitor if he or she wishes. Obviously, from some of the comments that have been made by some in this place and outside during the past two days, several have.

Clause 111, which provides for reports on developments, prohibits the identification of parties without the consent of both. Accordingly, the disclosure is in the hands of the parties. The report that I have been talking about this afternoon should ask those parties to, in fact, make themselves available if they wished just like, for example, the goldmining company in Gympie has come forward and proclaimed the benefits of QWAs as they apply in that company. So QWAs are not secret agreements; they are confidential agreements and there certainly is a distinction between the two concepts and practices. If either of the parties that has entered into a QWA wanted the details of the QWA to be published on the front page of the Courier-Mail, they could, in fact, do so. Some of those details, at least in the case of one of the companies in Queensland, have been published on the front page of the Courier-Mail and that possibility still exists.

The Honourable the Minister also talks about public debate on the advantages or the disadvantages of QWAs and, again, he claims in relation to this alleged secrecy that the secrecy of these arrangements ensures that there has been no public debate on the advantages or disadvantages of this form of contract. That is hardly surprising, given the very short time that the provisions for QWAs within industrial relations legislation in Queensland have been in existence. As I have stated already, under the powers afforded to the Minister by the coalition's Act, he has quite properly commissioned a report but, as I have indicated to the House, I believe that the report is fundamentally flawed. For a genuine debate——

Mr Braddy: Tedious repetition.

Mr SANTORO: I say to the Minister that the reason why he is claiming repetition is that he does not like what I am saying. I am saying that we should have a debate, but we should have a debate that is enlightened by factual reports. The Minister suggests in his second-reading speech that he thinks that a debate is necessary. Let us have a debate based on a properly and independently compiled report on QWAs, which does not just talk about variations in wages and conditions but also talks about the other benefits that accrue to those people who have entered into those arrangements freely after exercising choice.

Mr Purcell: Freely?

Mr SANTORO: Freely after exercising choice. I will take the interjection from the honourable member for Bulimba. This morning, I was listening to a debate on 4QR. One person came on the radio and said, "Coercion exists in the workplace." In every barrel there is bound to be a rotten apple and some employers have abused employees but not under QWAs, or at least to the best of my knowledge not just under QWAs. In this case, the reporter on the ABC program had the foresight and the decency to ask words to the effect, "But sir, have abuses occurred under other industrial arrangements such as those, for example, put in place by the ALP Government?" Of course, they have occurred! Of course, they will continue to occur! That is why we have inspectors, that is why we have departments and that is why the Labor Party, I suppose, for one reason encourages the existence of unions so that those people who act in an abusive manner towards their employees can, in fact, be pursued. However, let us not say that every employer who enters into a QWA with his or her employees does so with a view to abusing it. Let us at least be honest and intellectually honest when we undertake a debate of this sort.

I say to the Minister that I agree with him about a public debate. I think that we should have a debate, but I think that we should have a debate when the facts are able to be laid down on the table in their totality and in a manner that adds to the amount of knowledge that is available about what we are debating rather than selectively putting into the marketplace knowledge that favours only one side of the argument, as indeed is the case with this report.

In the Minister's second-reading speech, he claims that QWAs are often made with employees who have little or no knowledge of what other employees who work alongside them are receiving. In saying this, again he is conveniently ignoring one of the essential features of the QWAs, that being that QWAs are arrangements between individual employers and individual employees. They represent an element of essential choice within Queensland workplaces.

The Minister also conveniently ignores that there is provision for collective negotiation between a number of employees and the individual employer. If collective negotiations have taken place, the resulting agreements will still be entered into on an individual basis provided there is a capacity for tailoring the agreements to individual needs. If collective negotiations have taken place, the individual agreements can be included in the same document for the purpose of filing an approval. So there is provision for collective negotiation and agreement and the consequent sharing of knowledge within the Workplace Relations Act. Again, it is up to the individual employees to exercise choice in accessing the provisions within the Act that enable collective negotiations and agreements to take place.

For example, I ask the Minister to talk to the employees of Hookers who entered into that process. They all know the conditions of their individual QWAs. According to that company, they have experienced great satisfaction with that QWA process and outcome. So again, the Opposition rejects the spurious and unsubstantiated claims of the Honourable the Minister in terms of knowledge of QWAs between employees within one workplace.

Of course, in the Minister's second-reading speech he says much about differential wage outcomes. Perhaps the most alarmist and sensational claim by the Minister in his second-reading speech relates to wage outcomes and increases within QWAs compared with those experienced under certified agreements. In his second-reading speech the Minister claims—

> "... that the average annual wage increases granted in the agreements was 2.6% in comparison to the average annual wage increase for employees under Certified Agreements or 4.1% over the same period ... and 57.8% of QWAs gave employees no wage increase at all ... the focus of QWAs has been on repackaging award entitlements such as removal of overtime provisions."

In making the above claims based on what I believe is obviously a discredited report, the Minister, perhaps conveniently, ignores the most important component and incentive contained within the provision that allows the making of QWAs, and that is flexibility. I submit that it is a dangerous practice to make comparisons between QWAs and certified agreements without comparing like with like. For the most part, as the Minister's statement implies, certified agreements have been used as the main vehicle to effect wage increases for the majority of workers employed under awards. Generally, QWAs have not been used for this purpose. This is admitted by the coalition up front, openly and without any sense of qualification or embarrassment. QWAs have been used to increase flexibility in the workplace for the mutual benefit of the employer and the employee.

In order to illustrate this, I contacted employer organisations which had assisted in the negotiations of QWAs and asked for examples of such mutually beneficial outcomes. I wondered whether the authors of the report also went into the marketplace and actually asked employer organisations and employers what they thought.

Mr Borbidge: Bit of a dodgy report.

Mr SANTORO: I think the Leader of the Opposition is quite right. It is obvious to members from what I have been saying that I do believe it is a bit of a dodgy report. As the Minister loves to get up and cite examples, I will cite one also. A single mother with two primary school-aged children entered into a QWA with her employer. This agreement allowed the employee to work her part-time hours on those days of the week which best suited her particular situation. She was performing a clerical function for three days a week. The employer did not care which three days the employee worked, as long as the work was completed within each week. The employee was able to choose which three days she worked, and it suited her on occasions to work on a Saturday or Sunday. This was in those weeks where, for example, she had commitments to her children on four weekdays. She was always paid the award rate plus an over-award component. This rate did not change as a result of the QWA.

The agreement suited the particular circumstances of this single mother and was in fact okay by the employer. In that particular case, as with many other QWAs, it was not a matter of a wage increase. In the abovementioned case, there were benefits to both parties which could not be achieved under the award which applied.

Mr Purcell: Why not?

Mr SANTORO: I will tell the member for Bulimba why not. The State Clerical Employees Award does not allow ordinary rates to be paid on Saturdays and Sundays, except for Saturdays

between 6.30 a.m. and 12.30 p.m., when penalty rates apply. Without the arrangements allowed for under this QWA, this single mother would not have been able to spend the time needed to look after her children's special arrangements during the week and yet still earn her three days' income. This was because the employer was not prepared to pay penalty rates on weekend days simply to cater for the special needs of the mother.

This example shows that no appropriate comparison can be made of wage increase differences between certified agreements and QWAs. The overall package of wages and conditions, which is subject to the no disadvantage test and the other protections contained within the legislation, needs to be considered when evaluating the worth or otherwise of QWAs. A comparison of wage differentials between awards, agreements and QWAs is certainly not valid in the world of modern day industrial relations.

We have also heard a lot about the success or otherwise of QWAs. In his second-reading speech the Minister claimed that, under the current legislation, QWAs have been a dismal failure since their inception 17 months ago. There are several very simple and valid reasons why the uptake of QWAs has been, according to reasonable commentators, slower than expected.

Well prior to the election, the then Labor Party Opposition made it perfectly clear to Queenslanders that, if Labor was returned to Government, it would abolish QWA provisions within the Workplace Relations Act. Given the finely balanced state of the Parliament, Queensland business was somewhat reluctant to promote QWAs as a mainstream form of workplace agreement making. In the main, they understandably adopted a wait-and-see attitude towards the election result. There is no doubt in my mind that, had the coalition been returned, the uptake of QWAs would have increased significantly, just as they have taken off federally where, on the advice I have received, over 27,000 have in fact been registered.

The newness of QWA provisions also obviously had an impact, as the sugarmillers stated in correspondence, part of which I quoted previously. They were new and dramatically different provisions and there was and remains a need to inform and educate participants within Queensland workplaces of the advantages of QWAs. A re-elected coalition Government would have undertaken this process in earnest, and I believe the results would have been very positive indeed.

We on this side of the House totally reject the spurious and unsubstantiated arguments of the Minister and his supporters. Of course, we will vote against the amendment which seeks to abolish the provision within the legislation dealing with QWAs. We hope that, for all the good reasons we have put forward, all honourable members will support the coalition parties and others in this place in voting against the amendment.

I turn now to the abolition of award simplification procedures, which is the other major amendment proposed within this amendment Bill. The Government states in the Explanatory Notes to the Workplace Relations Bill 1998 that the intent of this Bill is to maintain the award system as the primary vehicle for determining wages and employment conditions. This determination and action by the Queensland Government flies in the face of the overwhelming alienation that Australian and Queensland employers feel towards what is a cumbersome and inflexible award system.

These days the dominant trend in workplace arrangements is towards enterprise-based agreements and overwhelmingly away from reliance on the award system. During recent years, the one-size-fits-all award system has been seen to be, and indeed has become, a most inappropriate way of determining wages and conditions outcomes in Queensland and Australian workplaces.

A wage fixing system requires simplicity and flexibility in order to remain competitive in an increasingly competitive international economic context. The simplification of awards was, and in the view of the Opposition remains, a most desirable industrial objective within an industrial relations context. It affords protections to employees while at the same time providing incentive for greater productivity through a choice of more flexible workplace arrangements. Such flexibility will not be delivered by the Government's award simplification amendments. On the contrary, they will entrench a union dominated award system which during the past two decades has clearly failed the Queensland and Australian economies, as indicated by the record unemployment rates experienced under the Labor Governments of the 1980s and the 1990s.

As I stated in my media release on 6 August 1998, the fact that the award simplification did not occur as intended by the previous coalition Government is mainly the result of bloody-minded opposition by the union movement, which was intent on protecting its own legislatively entrenched and protected privileged position. This opposition applies equally at a Federal level, where the process of award simplification has again been stymied, albeit not to the same extent, by entrenched union and other institutional opposition.

The suggestion by the Minister that this amendment is necessary prior to 27 September 1998 conveniently ignores the fact that provision was made in the Vocational Education and Training Bill 1998, which I introduced into the Parliament on 4 March 1998, to extend the interim period of 18 months from the

commencement of the Workplace Relations Act 1997 during which awards are to be simplified. In my second-reading speech on the Vocational Education and Training Bill 1998, I recognised that unions and employers were having "difficulties" in reaching agreement in terms of the award simplification process.

Mr Braddy: You didn't get that through.

Mr SANTORO: I am getting to it. The honourable member should be patient. He only becomes active when he seems not to understand what I am about to say. For this reason, I made provision within that Bill to extend the period by 12 months in the hope that that would give all industrial parties a further opportunity to thoroughly review the awards so that they became more streamlined and more relevant to the needs of industry. That this option is not being pursued by the Government again indicates its doctrinaire approach to industrial relations, an approach which is very much union dominated and which will create a disincentive rather than incentive for business, in particular small business, to create employment.

Although the election timetable precluded consideration of that particular Bill, I assure the Honourable Minister that I will be moving an amendment to his amendment Bill so that the Parliament is able to take up the opportunity of extending the period. I foreshadow to the Minister and the House that I will be moving that amendment within the VET Bill in order to see whether the Parliament agrees with that proposition or not.

The idea of award simplification is not new. It was championed by none other than former Prime Minister Paul Keating. He was very clear on at least one thing: he understood that reforms being pushed by our side of politics were necessary and inevitable. For example, in a speech to an Institute of Directors luncheon he agreed that Australia needed a model of industrial relations—and I quote this in particular for the sake of honourable members who are new to this place—which "places primary emphasis on bargaining at the workplace level within a framework of minimum standards provided by arbitral tribunals". He continued—

> "... compulsory arbitrated awards and arbitrated wage increases would be there only as a safety net."

He further stated—

> "The safety net would not be intended to prescribe the actual conditions of work of most employees, but only to catch those unable to make workplace agreements with employers."

He continued—

> "Over time the safety net would inevitably become simpler. We would have fewer awards with fewer clauses."

He then stated—

> "For most employees and most businesses, wages and conditions would be determined by agreements worked out by the employer, the employees and their union."

He further stated—

> "These agreements would predominantly be based on improving the productive performance of enterprises, because both employers and employees are coming to understand that only productivity improvements can generate sustainable real wage increases."

That is what former Labor Prime Minister Paul Keating said about the complex, bureaucratic, union dominated, small business unfriendly awards system that this side of politics is trying to simplify. We are not doing so to disadvantage employees but to give them a far greater opportunity to be employed by providing incentive to employers to take them on.

We will be moving an amendment to extend by 12 months the award simplification process. Nothing will happen to the current awards once that amendment gets through the Chamber, if the Parliament chooses to support it. If the process, again because of the bloody-mindedness of the union movement and the other inflexibilities in the system, does not simplify awards in Queensland, in another 12 months' time perhaps the Minister can seek to bring back the amendment that he is trying to put through this place today. If he does that, the Minister will prove that he is not being dominated and pushed around by the unions and that he wishes to give Queensland businesses a fair chance of enjoying the same simplified awards system that will come to exist increasingly at a Federal level.

Later in this debate other speakers will make contributions that will clearly demonstrate the enormous disadvantage imposed on Queensland small business if award simplification does not occur in Queensland but occurs in the rest of Australia, particularly at a Federal level. If the Government wants to be derelict in terms of its responsibility to preserve State jurisdiction and if it wants to add additional cumbersome bureaucratic costs to the way in which business goes about industrial relations in Queensland, it should keep pushing for this amendment Bill and not support the amendment that I will be putting forward on behalf of the Opposition.

Other speakers on this side of the House will speak about the record job creation that occurred under the coalition's industrial relations policies. They will speak about how the unemployment rate and the numbers of unemployed went down. In spite of the spurious, fallacious and absolutely dishonest claims by members opposite, speakers on this side will talk about the way in which jobs were created. Other speakers on this side of the

House will speak about the record drop in industrial disputation—a 50% reduction in working days lost—under the coalition's industrial relations and other policies. Opposition speakers will talk about that fine achievement.

Other speakers will talk about the impact that the abolition will have, for example, on the desire of employers to apply the new apprenticeship system to school apprenticeships. They will speak about the disadvantage that will be suffered by employers, group training companies and other entities involved in training in terms of apprenticeships. They will speak about the sorts of issues that the Government does not wish to speak about because they run totally contrary to the arguments that underpin this Bill—selective arguments that are contrary, as I said, to the stated objective of the Government to create employment and to reduce unemployment to 5%.

Using my remaining 60 or so seconds, I will reiterate that this is anti-business, union dominated legislation that seeks to reintroduce into workplaces a lack of reasonable choice and a disincentive for employers to put on employees. I say to the Minister and all of the advisers who are pulling his strings these days—and we all know who they are—if they want to serve Queensland well and if they want to achieve their unemployment targets, this is not the way to encourage business and in particular small business. It is because we care more about those Queenslanders who will be and are seeking employment that we are in total opposition to the two major amendments contained within this amendment Bill. If the Minister has any sense of decency, he will come to his senses and realise that he is engaging in industrial relations vandalism of the worst kind. It is regressive legislation.

Time expired.