



Speech by

Mr DOUG SLACK

MEMBER FOR BURNETT

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INDUSTRIAL RELATIONS BILL

Mr SLACK (Burnett—NPA) (10.55 p.m.): I have just listened to the speech of the member for Gladstone who made some very heartfelt comments on the Bill, especially in relation to the effects that it could have on the family. She has asked the Minister to consider the points that she raised. I support many of the comments that the honourable member made, as they were genuinely made and obviously came from the heart. Naturally, those comments reflect the opinions of the people to whom the member has spoken before contributing to the debate on the Bill that is before the House tonight.

The member for Gladstone mentioned the effects of the greenfield site provisions of the Bill, as that issue is very relevant to her area. I wish to make some further comments on that aspect, based on my experience as Minister for Economic Development and Trade. Naturally, my portfolio dealt with investment in the State, the promotion of investment in the State and, of course, the development or expansion of trade from the State to other countries.

A little while ago I was very disappointed to see the industrial problems that Sun Metals was experiencing. I have no doubt that every member of the House was also disappointed at that development, and I include Government members as well members of the Opposition. I know from my involvement in negotiations with Sun Metals in relation to the establishment of its plant at Townsville that some commitments were made relevant to industrial disputation that I felt we had not honoured. Those commitments were made in good faith. Unfortunately, they were not able to be carried through, which was not the fault of the Government or the Opposition. The commitments were made in good faith by the negotiators at the time. They were basically reassurances to Sun Metals that the industrial problems in Queensland were not major and that we had an unfair reputation for industrial disputation. I believe that Queensland does have an unfair reputation, particularly overseas, for industrial disputation. There are not nearly as many industrial problems in Queensland, or in Australia for that matter, as many people perceive.

I have spoken to many companies that have excellent industrial relations with their employees. Companies that have operated overseas or have overseas branches have said that Australia has a good industrial relations policy, that management has been able to work very well with employees and that there has been mutual cooperation between all parties to achieve outcomes. In that situation, those companies have been able to operate very effectively in the export market. However, I do not need to remind the House that if we are going to operate successfully and if we are going to create jobs—and the Premier talks of jobs, jobs, jobs—we must have industrial harmony and we all have to pull together. Therefore, we need to approach this Bill in a constructive manner and I assume that the Minister would acknowledge that.

Sun Metals committed \$540m to Townsville in the first stage of its development, and that took a fair amount of negotiation. I respect the contribution that the Goss Government made to those negotiations and the agreements that were initially reached between Sun Metals and the Government. Of course, the coalition continued that negotiation and brought the project to fruition. We finally signed off on it and we have seen the construction continue. I wish Sun Metals well.

I believe that the people of Townsville fully support Sun Metals. The public opinion polls indicate a level of support for that plant of about 75% to 80%. When I asked the people in charge of Sun Metals about coming to Australia and about some of their fears, I was told that their biggest fear was

whether they would be accepted by the community. They were very pleased to be able to say that they believed they were accepted by the community. They had nothing other than praise for the people of Townsville for the way in which they accepted a foreign company, which invested \$540m in the first stage. I do not wish to see the second stage or any of the goodwill generated during the negotiations placed in jeopardy. I am a little concerned that this Bill may do that. I know that the people who put together this Bill do not have that intention. The Premier has said that it will be beneficial to projects such as the Sun Metals project. Unfortunately, I do not believe that they agree with that. The Townsville Chamber of Commerce does not agree with that, either. They see some very disturbing downsides to this, particularly in relation to the greenfield site provisions.

The Bill proposes that for a greenfield construction site all relevant employee organisations and the commissioner must be notified of the intention to make an agreement. Further, an organisation that receives such advice and seeks to be a party to that agreement is to give notice of that fact to the proposer of the agreement and the commission. The effect of this provision is that in future any major construction projects built in Queensland that utilise the State's industrial relations system will be bound to at least invite, and probably include, all relevant employee organisations in any agreement that covers the construction phase of the project.

A report in the press indicated that, under the legislation, in one case the managers of a project would have to deal with 27 different unions. Obviously, that would pose some problems. As we know, this proposal has received a substantial amount of exposure in the press due to the factions of the ALP being unable to agree on its implementation. That highlights the disunity that exists among the AWU faction and the others. The point has been made that members of the AWU faction within this Parliament have not contributed to this stage of the debate, which must be disturbing to Government members.

Mr Sullivan: Why?

Mr SLACK: I believe Government members would want unanimity. Obviously, this Bill will be voted on in the Chamber. However, if the Government is to bring about the level of development in this State that it seeks, I believe it would require unanimity among its own members in relation to industrial legislation.

Mr Borbidge: Where are the AWU members?

Mr SLACK: Yes, where are they? It sends waves of uncertainty throughout the community, particularly in the business sector, when there is division within the union movement about legislation in the House.

Putting local politics to one side, this development in the Bill represents a significant departure from the accepted industrial relations arrangements that apply to major construction projects in Queensland. The current Workplace Relations Act provides that, prior to the start of the greenfields stage for a project, an employer may enter into an agreement with one or more relevant unions. The agreement is certifiable if accepted at least by relevant unions that are party to the agreement.

The previous legislation, the Industrial Relations Act 1990, which was substantially amended in 1994 to bring about certified agreements, also provided a similar mechanism for employers and employer organisations to bring about these agreements, whereby the agreement is satisfied if one or more relevant unions is party to the agreement. In Queensland, these types of agreements have been well used since their introduction in 1994. It is to be noted by the House that the Federal Act, both under the previous Labor Government and the present Government, has provided equivalent measures, as is the case when we have harmonisation of the Federal and State Acts.

The following major engineering projects have been constructed and are being constructed under State or Federal Acts where the union responsiveness has been less than all relevant unions. The list includes the following projects: the Kenmare mine; the Boyne smelter extension, which is in the Gladstone area; the Moranbah North coalmine; the Cannington mine development; the Cannington port facilities; the Mackay sugar terminal; the Cairns Airport redevelopment; the Ernest Henry mine; the Enterprise mine; the George Fisher mine; Queensland Phosphate—Phosphate Hill; the Bellara gas works; the Bellara—Mount Isa gas pipeline; the BP Clean Fuels Project; and the Sun Metals zinc refinery, which I mentioned earlier. All of these projects either had the AWU solely or the AWU, the Amalgamated Metal Workers Union and the Communications, Electrical and Plumbing Union as parties. The majority of these projects have been constructed under the greenfields agreement in the Federal Act.

In the same period there possibly have been major resource developments projects that have included the CFMEU and the BLF: the BHP coalmines development; the QCL plant, Gladstone; the Callide C Power Station; the Moura nitrate plant; and the South West Pipeline. Two conclusions arise from this. Of all the projects that exclude the CFMEU and the BLF there is only one that included significant industrial disputation, and that was the Sun Metals zinc refinery, which I referred to earlier. It is on the basis of the disputation at Sun Metals that the Government seems to have made this

significant change in legislation for major construction works, namely, labelling them "project agreements". As the House knows, the distinction will be that all relevant unions must be invited to these discussions, and there will not be rationalised union coverage. The basis for making this decision is flawed. This is particularly so in light of the findings of the full Industrial Court in its decision No. C11 of 1999, handed down on 31 May 1999, which is only a little while ago.

In that judgment the full endorsed Industrial Court found that both the CFMEU and the BLF failed to show cause that the organisations had complied with the orders of the Queensland Industrial Relations Commission. On 19 February 1999, prior to the commencement of the industrial strike at Sun Metals, the commission had issued orders to prevent such action and to prevent officials of the respective unions from engaging in or inciting such action. These two unions have now been found by a Full Court to have failed to comply with that. In particular, the court found that the BLF had taken certain actions which were substantially designed to hurt the arbitration. In addition, the CFMEU's actions did not constitute substantial compliance with the orders. That is the judgment of the independent umpire. The dispute was continued by these unions. In view of the findings of the court, there should be no encouragement of those irresponsible trade union officials.

Two conclusions can be drawn from this outline of the use of the greenfields on major construction projects. The first is that industry is trying to tell the CFMEU and the BLF something: their disruptive antics are not wanted on those projects. Where possible, they will not be on those projects. Secondly, there is already a significant reliance, if not preference, from the owners of these major projects to utilise the Federal system to bring about that means.

I understand the preference for the Federal system lies in the basis of the right of entry, for the excluded unions can be ousted by use of a Federal agreement. This brings two issues to the fore on this new legislation. The first is that the new projects agreement will not be utilised by the private sector, and I would like the Minister to comment on that. Secondly, if the owners are already avoiding the existing right of entry provisions, this will be exacerbated under the proposed right of entry provisions. So rather than fixing any problems, the problem will disappear from this jurisdiction and appear in the Federal system.

A major concern that arises from this action of the Government is that it symbolises what its direction and position is on industrial relations on major construction projects. The reality is that it does not support the greenfield-type agreements. It does not support the industrial relations wishes of these private sector investors. It would rather see them go to another jurisdiction than provide any appropriate means to support them. It is this bungle of the Government that is more damaging. It does not encourage any support for any development in Queensland, given the attitude of this Government to industrial relations. It wants to see the actions of the BLF and the CFMEU, which have been found to be terribly wanting by a full Industrial Court, to be part of that process.

In summary, these changes will not change what is happening on major construction sites and they will further reduce the role of the Queensland Industrial Relations Commission. Perhaps more significantly, the Bill does make a very strong statement to anyone who wants to invest in Queensland, that is: do not come looking to this Government for any support on your industrial relations.

I mentioned Sun Metals at the beginning of my contribution to this debate and the obvious impact the Bill will have on their confidence in Queensland. Where a major investor such as Sun Metals has those sorts of experiences, the word spreads internationally. We have to attract international and other investment into this State to get the jobs that the Premier and the Government are talking about that we all want for the working people of this State. When I talk about jobs, it is not just jobs for the people who are not now employed; it is also for employers of people who are employed. They have to have confidence to invest. They have to have confidence that they are not going to have major industrial strife, that they will make a dollar, that they are not going to have too much red tape, and that they are not going to have too many problems from native title implications.

One of the major problems that we do have overseas—and I have said this many times in the House before—is the perception, and it is a wrong perception, that we cannot manage our industrial relations legislation in this State and in Australia. I believe that that situation was being corrected and that many overseas companies were beginning to appreciate and understand that we did have reasonable industrial relations laws in this State. It is a bitter experience for a company to come here and experience industrial trouble. The Government has claimed that this legislation will address those types of issues. We feel differently about that. Obviously, the member for Clayfield has outlined in some detail the Opposition's position in opposing this Bill and the added reasons why, apart from the greenfield site implications, the Opposition will oppose this Bill.

I will conclude on these points. We have to recognise that we have to compete internationally. It is a very competitive market out there. If we are going to trade successfully, we have to trade competitively with other countries who can offer industrial harmony, who can offer a productivity that puts them in a competitive position in the marketplace. We have to be able to do as well or beat that position to be able to export. When I say "export", I point out that export and investment go hand and

hand. If we are exporting successfully, then we tend to get investment. Investment follows trade. But if investment is not occurring, we are not going to export successfully. If we are not exporting successfully, we are not going to have the investment that naturally follows the trading that we have to have with overseas countries. It is all right for honourable members to get up and knock multinationals—and I agree with many people in this House and am very wary of the monopolistic powers that can develop from multinationals being involved in our industries here—but we do need to have major capital inflows that can be provided by overseas investment to be able to stimulate industry and stimulate value adding.

I will finish on the note that honourable members will appreciate. When we go to the Premier's exports awards, the companies that receive the exports awards are the companies that have the best industrial relations with their employees. As a result of those industrial relations and a family-type attitude, they are able to take out those awards. I recommend to members of the House that they do not support this legislation before the Parliament because of the implications it has, particularly in relation to the greenfield site provisions.
