



Speech by

**HOWARD HOBBS**

**MEMBER FOR WARREGO**

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Hansard 10 June 1999

### **INDUSTRIAL RELATIONS BILL**

**Mr HOBBS** (Warrego—NPA) (2.50 p.m.): I think the speech of the member who has just resumed his seat will go down in history and that he will be voted out at the next election. I welcome the opportunity to advise the House of concerns about the impact of this industrial relations legislation on local government in Queensland. Local government is a very important employer throughout this State. It covers a wide range of jobs, from Cape York Peninsula down to Cooper Creek and also in the metropolitan areas. It conducts a very wide range of activities and has a very important role to play in industrial relations. This legislation will impede the ability of local government to compete with the private sector in areas such as road reform and National Competition Policy. To be competitive, councils need to be able to regulate, by agreement with their employees, their own industrial relations environment.

The Industrial Relations Bill represents a return to a more centralised system of industrial regulation which proved an impediment to workplace reform in this area in the past. We are not really progressing. We need to have a more modern vision for the new generation, but we are going backwards. We are going the wrong way. We are going contrary to the rest of the world.

Increasingly, local government is focusing on the promotion of economic growth and high employment, especially in rural areas, as in a lot of communities local government can represent the mainstream of job availability. It is considered that the general thrust of the legislation will counter job creation in rural centres and as a consequence will result in a lack of economic growth in those areas.

We are trying to get regional development going. Development boards are set up all over the State. This legislation will counter the type of productive work that those groups are trying to do. We are trying so hard to increase the role of tourism. We are trying to increase the work for councils and for economic development officers. We are trying to do a range of things, but with this legislation we are going backwards. All the Government is doing with this legislation is bashing the bush.

There are 125 councils in Queensland. In today's terms they can best be described as separate business organisations. Gone are the days when local governments would be viewed as a part of the Public Service and in the light of the connotations that go with that description. They operate as businesses and, depending on their size, can be accurately described as small, medium or large corporations. Local government is modernised. This legislation will turn back the clock.

Local government will experience difficulties with the changes proposed to the industrial relations laws in Queensland. I refer to Queensland workplace agreements. The way the Industrial Relations Bill is framed, local government will not be able to access Queensland workplace agreements. Based upon the Local Government Association's research and face-to-face discussions with elected members and senior executives in that industry, there is clearly a demand to access these agreements. Primarily we would see their utilisation in regulating the employment of chief executives and directors within councils. Both the officers and the council would see this as a positive because they would be separated from an award and align their focus with that of the council, which would result in a more efficient operation and benefits to the community.

Secondly, circumstances have arisen with groups of employees in local governments. An example would be an employee at a water or sewage treatment plant who, by virtue of the nature of the operation, would be required to work hours different from those worked by the rest of local

government. Generally these employees are appreciative of the unique nature of their operations. If the facility were to have a private confidential arrangement, such as a Queensland workplace agreement, in my view this would result in a more efficient operation. I am sure local governments believe exactly the same thing very strongly.

One of the major features of the current Act is the freedom of association provisions. This is particularly so in local government, where in a number of councils union membership is quite low. An example is a nearby council in which union membership is around 27%. This low membership is as a result of general dissatisfaction with the service being provided by the union movement. The union encouragement clauses being included in the legislation would run counter to the principles of freedom of association and to the majority views of employees in Queensland local government.

Prior to the introduction of the provisions of the current Act, local government experienced significant difficulty with union officials, in both the Federal and State arena, arriving at work sites unannounced and speaking to employees in working time. The disruption was such that there were significant reductions in productivity and this greatly affected the ability of the councils to serve their communities. With the introduction of the provisions currently in place, this disruption was alleviated. It is known that if the proposed right of entry provisions as outlined in the Industrial Relations Bill become law, a number of union officials will go back to their old ways of arriving unannounced and addressing employees in work time.

At a time when local government has pressures on it to increase its productivity and to be competitive, it is totally inappropriate that provisions of this nature be introduced. Various examples in relation to interference in work programs can be given. Roadworks is a particular example. There may be bitumen laying occurring and a team of people disrupted. The same may even apply in the preparation stage of road building. So much work has to be done, in relation to roadworks particularly. The moisture content has to be right when road shoulders are being put together and so on.

Councils just do not need people coming along and holding things up. That was happening in the past—there are proven cases of that—and it will happen again. All we are doing with this Bill is making the situation worse. We are making the operation inefficient. At the end of the day, it will cost not just more jobs but also more money for maintenance. There needs to be a limitation on the number of matters dealt with in work time. If there is something particularly important and it needs to be covered, then maybe it can be covered at an appropriate time. But there needs to be some priority in relation to the types of issues that can be covered.

The Bill includes specific conditions of employment. This runs contrary to the whole philosophy of enterprise bargaining, where the conditions are negotiated at the local level to suit the operational requirements of the individual local government.

I turn to the role of the commission. In relation to enterprise bargaining up to this point in time, on several occasions the unions have attempted to have differences between council and the employees arbitrated by the commission. This was unable to be achieved by the union movement because the commission's role was one of conciliation. Under the proposed legislation the commission will have the ability to arbitrate on differences in the enterprise bargaining process. This will be contrary to the principle of enterprise bargaining and will adversely affect the ability of local governments to achieve working arrangements in their local areas that best suit their climate and working conditions.

The stated focus of the Bill is social justice. It does not focus on a system that results in improvement in productivity and economic prosperity for individual communities. If the focus of the legislation is to change, there will be a severe impact on the smaller communities within Queensland. That is exactly the opposite of what we are trying to achieve. We should be trying to help those smaller communities.

Queensland local government operates under awards of the Australian Industrial Relations Commission and the Queensland Industrial Relations Commission. The Federal Government's current proposals are about greater flexibility and further encouragement of negotiations at the workplace to reach mutually satisfactory employment arrangements. On the other hand, the proposed Queensland legislation is walking in the other direction towards a centralised system of wage fixation and of discouraging employers and employees from negotiating working arrangements at the workplace. This places local government in the invidious position of operating under two dramatically different systems. This is contrary to other legislative demands on local government to reform its processes and improve the level of service to the community.

I turn now to the flow-on of certified agreements. This matter is also of serious concern. Of the 125 local governments in Queensland, approximately 110 have enterprise agreements, and they cover approximately 90% of local government employees. As detailed earlier, these councils operate as separate entities, and the prevailing conditions and employment arrangements that are necessary for a productive work force differ from locality to locality. It is submitted that it would be disastrous if these industrial work requirements ended up in the award that would cover these employees if the

agreements did not exist. Based on past experience, the unions would extract the most beneficial provisions, from their point of view, from all of the agreements in the industry and would end up with an award that would impose provisions and conditions that would be inappropriate for the whole of the industry. The whole principle of enterprise bargaining was to reach an agreement on working arrangements. To flow these provisions on to an award would result in a document incorporating provisions that had not been agreed to by the employers or the employees who are covered by the award in question.

So to summarise the local government position—apart from the changes to the workplace agreement provisions that would allow access by a local government, there is no need to change the current Workplace Relations Act 1997, and the Bill before the House creates a more regulated environment which is totally contrary to the concept needed to take industrial relations in this State and in local government into the future.

The principle behind what the Government is doing is quite clear to most people. It is obviously trying to rescue the decline in the union movement's fortunes. One has only to look at some of the documentation that is floating around to realise how important the union movement is to the Labor Government. I refer honourable members to the donations that have been made by trade unions to the Queensland branch of the Australian Labor Party. In 1994-95, over \$1m came from trade unions. In fact, the figure was \$1,019,901.

**Government members** interjected.

**Mr HOBBS:** Government members should just sit there and cop it. These are the figures.

**Mr Schwarten:** At least it's all declared, and not in brown paper bags, like you lot.

**Mr HOBBS:** The Government might as well be putting this in a brown paper bag. In 1995-96, the figure was \$1,074,196. In 1996-97 there was a bit of a reduction— \$969,201.20. For some reason, the ALP lost a bit of money on that one. But listen to this. This is the best one. In 1997-98, \$1,907,815 came in. Members opposite are trying to say that people are making these donations out of the goodness of their hearts and perhaps for the wellbeing of the people, but it is all about money coming into the Labor Party. They know that as well as everybody else does.

**Mr Purcell:** You're paying the piper.

**Mr HOBBS:** Never mind about that. It is a matter of what Government members are doing. They are basically trying to get money coming in to their own political party, and this is the milking cow that comes to them. It is the Labor Party money tree, and members opposite are going to try to build it up and keep it going and let the money roll in.

The numbers in the union movement have declined in recent times, including during the coalition's term in Government. The union movement represents only 28% of Australian workers. The numbers are going down, and members opposite are trying to boost them up. All they want to do is get money in there so that they can continue with their crooked ways. They are anti-business—absolutely anti-business. And they do not like being caught out when I am telling the people of Queensland about the money that they are getting.

**Mr Seeney:** They don't like it at all.

**Mr HOBBS:** They do not like it at all. They are anti-business. Small business will not progress. The Government has changed the dismissal laws, it is stopping employment, and I just cannot understand how the member for Mansfield could talk about—

**Mr Schwarten** interjected.

**Mr HOBBS:** The member should sit back and take this. A minute ago, one of his colleagues talked about the fact that business people were not worried about this legislation. Let me tell the member something. The Housing Industry Association Limited says that the Government's triple whammy could add 30% to new home costs.

**Government members:** That's the GST.

**Mr HOBBS:** Members opposite should just settle down and wait for a while. The State's peak building industry body, the Housing Industry Association, said that—

"... proposed changes to industrial relations laws will only further add to the cost of an average home in Queensland and potentially put builders out of work."

So the Government is putting its own people out of work.

**Government members** interjected.

**Mr HOBBS:** Government members should not get excited. They should settle down. The Housing Industry Association's Queensland director, Mr Warwick Temby, said—

"... the State Government's plan to rope in contractors as employees"—

**Honourable members** interjected.

**Madam DEPUTY SPEAKER** (Ms Nelson-Carr): Order! I cannot hear the member speaking. And the member for Callide will resume his correct seat if he intends to interject.

**Mr HOBBS:** The Housing Industry Association's Queensland director, Mr Warwick Temby, said—  
"... the State Government's plan to rope in contractors as employees would seriously damage housing affordability by adding up to 20 per cent to the cost of an average new home."

**Mr Mickel:** That's the GST.

**Mr HOBBS:** No, hang on. It is more than that. It is a bit of GST, for sure. Mr Temby continued—  
"Add to that the proposed WorkCover levy and the introduction of the GST and there is a very real potential for the Queensland building industry to be thrown into chaos

...

The triple whammy of changes to industrial relations laws, the proposed WorkCover levy and the introduction of the GST could see house costs increase by a massive 30 per cent—20 per cent"——

**Mr Lucas** interjected.

**Mr HOBBS:** The member should listen to this—

"... 20 per cent from changes to the definition of 'worker', 8 per cent from the GST and 3 per cent from the WorkCover levy."

So the GST represents only a very small proportion of what the increase in housing is going to be, and it will be the fault of members opposite.

**Mr Purcell** interjected.

**Mr HOBBS:** Government members have been caught out. They said that no-one was complaining about this. But that major industry group has put out a press release pointing out that this Government's legislation is going to cost the housing industry a lot of money and a lot of jobs. It says—

"To have contractors deemed as employees will mean that many Queenslanders will not be able to afford to build their dream home. The employment outlook in the building and construction industries will plummet overnight, with thousands of jobs at risk."

This is what the Housing Industry Association says. So there you go!

**Mr Schwarten:** Cash in the hand is what you want.

**Mr HOBBS:** All this does is put brown paper bags into legislation. Members opposite talk about brown paper bags. That is their brown paper bag, and they are bringing it in here under the guise of industrial relations.

**Mr SCHWARTEN:** I rise to a point of order. The honourable member was pointing at me in this Chamber and directing his comments about brown paper bags at me. We all know that it was Joh Bjelke-Petersen and his Government and the National Party who were the crooks in this State and who rorted the system.

**Madam DEPUTY SPEAKER:** Order! The member for Rockhampton! There is no point of order. That was not a personal reflection against the Minister.

**Mr HOBBS:** I withdraw, petal, anyway! According to this press release—

"Mr Temby said if the Government was serious about its five per cent unemployment target it would not change the current definition of employee—one that had proven to be both sound and workable.

He said the change to the definition of 'worker' would create significant and costly administrative difficulties for building contractors who would have to interpret a complex and uncertain definition.

'Contractors will not be sure whether a worker is or is not an employee until the Commission makes a decision,' Mr Temby said. 'This means they will have to treat their sub-contractors as employees (including keeping time and wages books) until they are given clear direction.' "

Government members are knocking jobs out of the industry. Can they not see that? All they are trying to do is get some money to keep their campaigns going. All they want to do is keep their campaigns going and the money rolling in from the unions, but they are knocking their own mates out of work. Can they not see that? Mr Temby said—

"How is business meant to operate in an environment of such uncertainty?"

According to the press release, he also said—

"... current conditions in the residential building industry were already depressed across most of Queensland, with activity down by a third on last year's levels."

Time expired.

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