Speech by

Mr L. SPRINGBORG

MEMBER FOR WARWICK

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INDUSTRIAL RELATIONS BILL

Mr SPRINGBORG (Warwick—NPA) (Deputy Leader of the Opposition) (12.14 a.m.): The role of awards has been substantially altered in the Industrial Relations Bill. The Bill provides for the following requirements at clauses 123 through to 131—

certain parts of the award simplification process of the Federal system;

secure, relevant and consistent wages and employment conditions; and

certified agreements may be flowed on to awards provided that this is not contrary to the public interest and satisfies the principles established by the Full Bench.

This is significantly different from what is currently contained in the Queensland Workplace Relations Act 1977. Firstly, the award provides objects which will govern the commission's treatment of awards. Secondly, there is no automatic flow on of certain agreements.

The most significant alteration from the current legislation that is proposed is the deletion of reference to awards acting as a safety net for minimum wages and employment conditions. Further, it is clear that it is the intention of the Bill that awards do not act as a safety net any more and that they \now have another standing in that they become the primary source of employment conditions in the workplace. The term "minimum" has been removed, as has "safety net". In lieu is terminology such as "secure", "relevant" and "consistent" and, further, it does contemplate the inclusion of certified agreements.

This will fundamentally alter the conduct of industrial relations in Queensland. Additionally, it will set Queensland aside from the remainder of Australia under the Federal system or such models that exist in Western Australia, where enterprise bargaining and workplace bargaining is the major determinant of employees' wages and conditions of employment. The current system has been designed to provide a safety net of wages and conditions so as to encourage enterprise bargaining. It is clear that the intention of this Bill is to bring about industry outcomes.

We do not have to look any further than a recent quote from Professor Rob McCallum, which appeared in an article in Workforce. The professor, a member of the task force, made the comment that the intention is to bring about sectional outcomes, not enterprise outcomes. This Bill will distinguish Queensland from the rest of Australia. This is a fundamental change in the processes of determining wages and conditions for employees.

The situation will now be created whereby there will be the ability for awards to be increased on an industry, and to compete with enterprise agreements. This is a retrograde step back to somewhere before 1987. Since 1987, and through successive Federal Labor Governments, there has been a universal need for the movement of determination of outcomes to be at the workplace level and not at industry or even national level. The Beattie Government, with its usual sense of timing, has now brought this back to be a mainstay in Queensland. There can be no harmonisation of systems in the Federal and State arenas whilst there are different objectives governing the determination and making of awards and the content therein. In this aspect, this Bill puts the nail in the coffin of that harmonisation and now sets it aside.

However, this does raise some significant questions—questions that we believe the Government should answer. Firstly, it is the intention of the Government that the Queensland system will no longer

follow the Federal system in the setting of standards. It is expected that the Queensland system will set its own standards in terms of wages and conditions. It is the intention of the Government that State wage cases will now be independent of national wage cases and provide outcomes in terms of wage and general State wage outcomes that are significantly different from that which applies in the Federal system. For the State to get increases that apply federally, will they flow on, as has been the case for the past two decades, or is some new formula—an independent formula—to be applied in Queensland?

Thirdly, is it the intention of the Government that the commission will establish its own wage fixing principles independent of other systems? If it is the intention of the Government and if that is the outcome that it seeks, there will be two competing systems for employers: the existing Federal system, where the onus is on bargaining as the primary source of conditions, or a return to a rigid award condition and industry outcomes in the State system. It is to be noted by the House that it is employers who determine respondency to the systems and not unions and, on that sort of competition, employers will not follow the State system—not at a commercial cost, not at a flexibility cost.

This provision flies in the face of what has been the current direction in industrial relations. From a business perspective, it can have only two outcomes. One is: if an employer is stuck in the State system, leave it, for whoever wants to come to Queensland to invest would have to look at the system and they would see nothing but rigid obstacles when it comes to industrial relations, making it very difficult for this State to compete against other States when it comes down to these aspects. This proposal can only have the effect of speeding up the drift of business into the Federal system. Clearly, this provision in the Bill is a retrograde one and one that winds the clock back on provisions within the coalition's Act, which are working, in my opinion, very well.

In some of the time remaining, I wish to turn to the issues of non-union agreements and the seven-day notice period—two issues which will again favour unions to the disadvantage of employers and again will frustrate employers to the point at which their willingness to employ new people will be greatly diminished.

The current legislation provides that agreements can be made either with unions or directly between the employer and employees. As far as the non-union agreements are concerned, third parties do not have an automatic right to intervene in the certification process. That right exists only where a union has employees who authorise it to represent them. Under the Bill, certified agreements can be made between a single employer with or without a union or unions. However, the Bill inserts a new provision which allows a relevant union to be heard on the application for certification of an agreement, including a non-union agreement. Further, the commission is required to notify all relevant employee organisations of such an application at least seven days before an application and tell them that they are entitled to be heard.

The provision appears to allow an unnecessary intervention by particular unions where an agreement has been negotiated and struck between an employer and the employees concerned. What should be paramount in this situation is that agreements are better negotiated at the workplace level between employees and employers without the intervention of a third party. That third party in many cases has no specific knowledge about the individual and unique requirements of the workplace. The process has been monitored by the Queensland Industrial Relations Commission, which is able to certify an agreement only after it passes a multitude of tests and requirements. Why is it necessary to involve another party where the approval process is more than adequate?

The right of unions to intervene will almost certainly see delay of the certification process. Further, many workplaces with no union members simply do not want to see the union involved in the process. Even where there are members, they would have to be permitted to have their union represent them from the outset. Why is it necessary to allow for unions to become involved at the last minute where they are not welcome in an agreement between an employer and employee or employees?

The new Bill seeks to allow the unions a right to intervene where they simply have no part to play. That is against the background of declining union membership, and I intend to say a bit more about that later. Government will use what should be non-union agreements to allow their buddies to seek out new members. This new provision will only frustrate employers in their endeavours to get on with business and, I believe, a productive workplace. It also ignores the flexibility and choice which is provided in the current Act which was utilised by a number of small businesses. Those reasons alone are reason enough, I believe, to reject this Bill.

I would like now to make some general comments. Firstly, I wish to comment on a similar issue to that which was raised by the honourable member for Barambah in her contribution. She talked about the situation of meatworks in her electorate. The Government has made much about its commitment to industrial relations, to industrial relations reform, to workplace reform and to making sure that it gets the environment right for workplaces, for industries and for small businesses in this State. Only recently we

saw the passage through this Parliament of new WorkCover legislation which was supposed to bring about a new era in this State. We also saw a situation in which the Minister and the Premier were running around Queensland, trumpeting such things as the removal of the 10% surcharge and also impending reductions in premiums.

I would just like to indicate a matter of particular concern to me as we enter this brave new industrial environment—this brave new environment as carved out by the new WorkCover legislation. All is not as rosy as it would seem. I had the opportunity the other day to speak with a major employer in my electorate, that is Warwick Bacon, about some of its concerns. This is a major industry in the Warwick area in my electorate employing more than 300 people in the meat processing sector very, very successfully. It is export oriented.

It has done a great deal to enhance productivity and to carve its mark in the brave new environment which seems to be facing industry and business in the 1980s and the 1990s. In actual fact, only recently, it was nominated by WorkCover Queensland for an excellence award because it has done so much over the past few years to reduce the incidence of workplace injuries at its workplace. As honourable members would appreciate, a cooperative approach is required for anything like that to happen. It requires the cooperation of the owners of a business, it requires a will on their part and it certainly requires will and cooperation on the part of the employees. As I have indicated, Warwick Bacon has done a great deal over the past few years to recognise that it had a situation that could be improved upon and, in cooperation with its work force, it has done a lot to reduce its workplace injuries and also its workplace claims both in a statutory and common law context.

After being nominated for an excellence award for its efforts, that company was somewhat shocked to learn only recently that it will be facing up to a 60% increase in its WorkCover premium. I understand that this has come about because of the new way of calculating WorkCover premiums and particularly, as I understand it, the change in the way that the F factor, which relates to common law claims, has been recalculated or reassigned. That creates significant problems for Warwick Bacon, which has done a lot over the past four or five years to reduce the number of common law claims in its particular business.

As we all know, the meat processing sector is one that has had a significant problem in this area because the working environment of its staff is a bit more dangerous than that of an office worker. This is something that is recognised by the people who actually do the employing and the employees in this industry, and they are working cooperatively to address it. By the time everything is finalised for the 1999 financial year, I think Warwick Bacon will be up for around $730,000 in WorkCover premiums and adjustments. On their latest calculations, it is projected that that company may be up for something like $1.1m to $1.2m in WorkCover premiums and adjustments by the end of the 2000 financial year. That is totally unacceptable.

The Minister needs to know about this. The important thing for the Minister to know is that, regardless of how these things come about, there is an issue that needs to be addressed. There is a disadvantage for meat processors such as Warwick Bacon in that they are not able to self-insure. I understand that the likes of AMH, which is larger, are able to enter into self-insurance arrangements, but in this case there is a projected increase of 45% in employee oncosts. I am sure the Minister would appreciate that this is something that must be addressed.

The meat industry plays a significant role in many of our electorates. I am sure members would appreciate that. Members who represent a rural electorate would appreciate— members in regional and probably even city electorates and members representing areas such as Ipswich and Bundamba would also appreciate—the significance of the meat processing sector in their areas.

As we know, many of these meat processors are teetering on the brink. If they are working on fine margins, a 45% addition to their employee oncosts—if up to 60% is added to their WorkCover premiums—may very well be enough to tip the balance against them. The Minister has indicated to the Parliament tonight that he is aware of this issue, and I call on the Minister to work urgently to address this problem. I am very concerned that some of these meat processors will be in a situation soon, when they have their board meetings, whereby they will be forced to make some decisions that may not be in the best interests of rural and regional development, or State development for that matter, and certainly not in the interests of jobs in those areas.

I have not yet had the opportunity to speak to the people at the Killarney abattoir, but I would be surprised if the situation is much different for them. We are talking about businesses that employ up to 350 people. It is not hard to clock up 1,000 people employed in the meat processing industry in an electorate such as mine. That is a lot of people. Families of workers employed in meat processing also rely upon the industry. We also need to take into consideration the service industries and the flow-on effects of that money coming into these towns. I call on the Minister to try to do something proactive to address these concerns.

As I indicated, Warwick Bacon in particular found it strange that it received a nomination from WorkCover Queensland for excellence in achieving a reduction in workplace injuries while it has a projected premium and adjustments increase for the next year of up to 60%. Is that the reward for its achievement? I also understand that, effectively, this increase takes the sector premium, which is an average of 8% or 9%, somewhere up to around 13% or even a little higher. That is something which is very difficult, if not impossible, for the industry to absorb.

Any industrial relations legislation we pass through this Parliament must maintain the fine balance between the rights of employers to have a workplace which is workable and to negotiate with their employees, and the preservation of justifiable rights to a fair go that can be expected by employees. I believe that this legislation does not ensure that balance.