



Speech by

Mr. R. CONNOR

MEMBER FOR NERANG

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INDUSTRIAL RELATIONS BILL

Mr CONNOR (Nerang—LP) (11.45 a.m.): Today we saw Queensland's unemployment rate hit 8%. That is certainly not a trend that is consistent with the Government's statements, and I do not believe that it is a trend that we want to see in the future. It certainly sends a timely warning about industrial relations legislation.

Unfortunately, some unions—and I am saying only some unions—live in the past. They live in the past because they have not come to grips with the fact that things have changed and are likely to change much more. We are moving into the new world order: global marketplaces; faster communication; digital communication—warmer and faster; and cheaper transport costs. We have a whole host of new ways of doing business—ways that had not even been considered in the past.

I will give members a couple of examples. The States are just moving into online auctions. Through online auctions via the Internet—electronic commerce—at any stage, anywhere in the world, simply with access to the Internet and a PC, a person can do business with every corner of the world. There is simply nowhere to hide. Their products and services have to be competitive in a worldwide marketplace, and so, too, do industrial relations.

I will give members another example. General Electric, which is the largest company in the world, has a revenue flow that is greater than that of most countries in the world. It has just implemented a system whereby it does all its business via electronic commerce. I think it buys something like \$300 billion worth of goods a year, so it is quite a large operation. If a person wants to sell to General Electric, they have to be in their system via electronic commerce. If someone has a widget, they are simply required to download particular software onto their computer. When the robot arm in General Electric's delivery and storage area determines that they need more widgets, that goes through their computer and out to the rest of the world. It then interrogates all the computers on the Internet network that have that particular software installed. It interrogates them to find out whether or not they have the widget that they need, whether it has the right specifications and quality, what the availability is, what the price is, and the transportation costs, and it automatically orders it. It is a process that is very similar to the old EDI systems, but the big difference is that small businesses anywhere in the world can do business this way, and it is happening right now.

In fact, the Forrester research group in the States, which is one of the larger IT consultants, has predicted that electronic commerce trading will hit \$180 billion a year by 2001. That probably sounds far fetched, but right now \$250 billion worth of goods and services are traded over EDI, which is the older mainframe type of business. As I understand it, something in the order of only \$18 billion was traded via electronic commerce last year. So the growth rate in this industry is exponential. People all over the world are getting involved in this form of trade, and the key aspect of it is that there is nowhere to hide; either a person is competitive or they are out of business.

We are moving into, as Drucker calls it, the era of the knowledge worker. A knowledge worker manipulates symbols and data, not raw materials dug or won from the ground. The real wealth will be coming from their minds and their heads. Members should realise that this process can now take place anywhere, because via telecommuting—

Mr Lucas: You're not doing another assignment, are you?

Mr CONNOR: I was reading it off the cuff, the member might have noticed.

Mr Hamill: Reading it off the cuff?

Mr Veivers: Reading it off the cuff?

Mr CONNOR: I am sorry, I was doing it off the cuff. I am now reading it.

Mr Hamill interjected.

Mr DEPUTY SPEAKER (Mr D'Arcy): Order! I will have to give the member protection if this keeps up. The member for Nerang will continue with his speech.

Mr CONNOR: I will not digress, Mr Deputy Speaker, and I thank you for the protection from the Chair.

One only has to look at call centres. As I understand it, American Express has set up its South-East Asian call centre in Sydney. I understand that one of the reasons for that is the availability of multilingual operators in Sydney. Now, if anyone anywhere in South-East Asia has a problem with their card or credit or whatever, they ring there. So the jobs are being created for service delivery right throughout South-East Asia, but they are being created in Sydney. And why? Not because of the industrial relations environment, but because it is competitive; it has the brains; it has the connectivity through the telecommunications systems; and it has the availability of the necessary services. But if someone somehow or other tries to use an industrial relations environment to capture the work and the service delivery in a particular area, it will just slip through their fingers, because we are trading in a world market.

Of course, one of the biggest growth areas is computers and IT. We need to realise that we are moving into an era of remote maintenance. We can now have a web site sitting on a server in the States; the business is trading out of Australia, but it is serviced from Singapore. That is all done electronically with no geographical boundaries on where it can operate. Not only can this process happen anywhere, but the resulting information products can be shipped at the speed of light to anywhere in the world for almost nothing—for the most minute cost. Even rust belt industries are being transformed for this new environment, because business systems and communications have changed. As I said before, there is nowhere to hide. Either a person will be competitive or they will die. There will be no protection. If a union tries to hide behind some archaic legislation, industries will simply pack up and move to an environment that understands their needs. In years gone by, we had scarce resources—not any more. One only has to consider the major commodities around Queensland at the moment. Look at sugar. For 10 years or more, the price of sugar sat at around US10c a pound. Now it is around US4c a pound. That is called—

Mr Veivers: It's called a disaster. That's what it's called.

Mr CONNOR: It is certainly called a disaster. But we are seeing that right across the entire commodity sector. The price of gold is at a record low. Only about six months ago oil prices dropped to \$10 a barrel. We no longer have an era of scarce resources. The world is flush with resources. Prices are coming down all the time. And in Queensland in particular, if we want to continue relying on the commodity sector, all that will happen is that our standard of living and, in many cases, our quality of life will drop dramatically. And if we are not careful, they will drop very, very quickly. But at the same time, we cannot turn our backs on our traditional industries. So we have to make sure that our traditional industries are competitive, and an industrial relations environment is all part of that. We are moving into an era of what is called commodification where products are becoming more generic.

Mr DEPUTY SPEAKER (Mr D'Arcy): Order! I have been very tolerant but of late I have found it very difficult to relate this economic speech to the Industrial Relations Bill before the House.

Mr CONNOR: Mr Deputy Speaker, if you bear with me for just a moment, I am winding this new environment into the industrial environment. As you will see in the next paragraph, it does come together.

Mr DEPUTY SPEAKER: Order! I hope the member can justify that.

Mr CONNOR: I will.

Products are becoming more generic and there will be no premium on brand or type. The price is the price. If one is not willing to supply at that price, one will simply go out of business. Some people call it the era of hyper-competition. Businesses all over the world are already jockeying for a position in this new world order. Queensland incorporated is no different. As you will see, Mr Deputy Speaker, our industrial environment is operating in a world industrial environment which has been commodified.

If we try to add a premium, or if we try to differentiate our industrial environment, people will simply buy elsewhere. Believe me, people are not breaking down barriers to buy our products.

Someone else sells just about everything that we sell. Someone else has just about every resource that we have. The global village is getting smaller and the cost of doing business is getting cheaper.

Mr Veivers: Look at what Clinton is doing to our lamb.

Mr CONNOR: Look at the importation of pork into Australia from Canada. As I said before, there is nowhere to hide. Everyone else has a similar product and people do not differentiate between those products as they used to. There is a standard sort of quality and people buy at the lowest price.

If we do not provide an inviting industrial environment and find productivity gains each and every year we will not attract projects in the first place and will continue to go backwards. Queensland unions have to be competitive and, more importantly, flexible, otherwise our businesses will not compete in this paradigm.

When we operated in the old settlement model—which I might remind honourable members was unravelled by the Hawke Government—with its high tariff walls and entitlements to unions and all the other different sectors of the community, the unions could bludgeon employers and gain concessions that would last in the long term. Not anymore! A non-competitive industrial agreement might be achievable but it will not last long. It will shift the balance of rewards towards the employee at the expense of the employer.

In the past, with these big tariff walls around Australia, the employer would simply put up prices. But in this new world order all employers will be making little or no economic profit. Because of global competition, they cannot put up their prices. In other words, because of the near-perfect competition, employers in these commodified industries will be making only enough return on their investment to justify remaining in business. There will be no economic profit.

If employees bludgeon a non-competitive deal from the employer, the employer will be making an economic loss and, hence, can only remain in that position for a short time. What I am saying is that the days of the bludgeon are gone. A far more clever union movement is required—a union movement that fosters investment, value adds its members and enhances the competitiveness of its industry. What we have at the moment is a bunch of Neanderthal unions who think that nothing has changed. Instead of fighting over the crumbs left from the old world order, an ever-shrinking pool of workers in industrial age industries——

Mr Lucas interjected.

Mr CONNOR: I have little doubt that the member for Lytton knows all about Neanderthal unions. I also have little doubt that progressive unions will move into new forms of innovative programs to promote and improve their members instead of fighting with other unions in an attempt to get a greater share of the ever-shrinking membership cake. That is the challenge I make. This is where unions can value add. They can develop new industries by creating a more proactive and cooperative industrial environment.

I will now move on to detail some of the crude methods that are being used. Clearly, in the light of what I have just said, the folly of their actions will be obvious. After it was elected, the Beattie Labor Government promised to review the coalition's workplace relations legislation and repeal various aspects of it. The Minister for Employment, Industry Relations and Training, Mr Paul Braddy, established an industrial relations task force to review the——

An Opposition member interjected.

Mr CONNOR: He is only the Treasurer of the State. He would not have a clue what I have been talking about.

Mr Hamill: I have been nice to you.

Mr CONNOR: The Treasurer is just sniggering away there. I am trying to provide some insight into this new world order. I have no doubt that the Treasurer has little understanding of it, otherwise he would not be supporting this legislation.

Mr DEPUTY SPEAKER: Order! As I have already said, I find it very difficult to see how the member links this new world order to the Bill. I also find it a little difficult to believe that the member is speaking off the cuff, as he said he would be. He must be quoting from copious notes.

Mr CONNOR: I am quoting from copious notes but I am speaking off the cuff as well.

Mr DEPUTY SPEAKER: Order! I believe that would be fairly difficult. Would the member get on with his speech?

Mr CONNOR: I will, but unfortunately the Chair keeps interrupting.

Mr DEPUTY SPEAKER: Order! Could I refer the member to the question of relevance? Perhaps he could indicate the clauses of the Bill he is referring to. If he did that, I am sure the House would better understand where he is coming from.

Mr CONNOR: As you know, Mr Deputy Speaker, this is a second-reading debate. It would be more appropriate for me to do that in the Committee stage where I would be debating particular clauses. I was just referring to Mr Braddy and the matter of industrial relations. The second-reading debate is designed to be wide ranging. I will continue, with the Chair's support.

Mr DEPUTY SPEAKER: Order! I will give the member that support but I do ask that we talk about industrial relations—just a little bit, even 10%. I would appreciate that.

Mr CONNOR: I was trying to put the Queensland industrial environment into the world perspective. I will continue to try to do that, Mr Deputy Speaker, with your concurrence.

The Minister for Employment, Industrial Relations and Training, Mr Paul Braddy, established an industrial relations task force to review the State's industrial relations legislation. Amongst other things, the terms of reference of that review included the development of an industrial relations system based on cooperation, consultation and participation.

Right from the outset, the process was slanted in favour of the unions and the Labor Party. I say that because the task force comprised three union members, three employer members and two academics. We must understand that the Minister would be selecting the academics and that he would be highly likely to select academics sympathetic to the Government's position. We also had one Government member on the task force. Clearly, the academics and the Government representative would agree with the unions on most aspects of the review. The employers were outnumbered.

Submissions were invited from interested parties and the task force received 208 submissions. Many of those submissions argued that the present Workplace Relations Act was working well—I believe Mr Ludwig feels the same—and that there was no need for a wholesale departure from it. These submissions were ignored by the task force. I understand that the task force sat for a number of months and its deliberations were completed last year, with a report being published in December.

Many of the recommendations were agreed to by the various members present and were negotiated in good faith. Not all recommendations were agreed to by all parties. I understand that about 60% of the recommendations were agreed to by the unions and the employers. That means that there were going to be many issues of contention when it came to drawing up the new Bill.

Submissions following the report were provided by various parties in February of this year. What happened in the meantime? Were the employers consulted about the content of the Bill at any time from February to May? No! The first that Queensland employers heard about the significant and wide-ranging changes was a few days before the Bill was tabled in this Parliament when they were shown a draft Bill.

It is also significant that the Bill differs from the task force report on a number of matters. The Government's intentionally departing from many of the recommendations contained in the report makes a mockery of the process of setting up an independent task force. In particular, I refer the House to the following areas: greenfield sites, legal representation and the appointment of a full-time president and vice-president to the Industrial Commission.

Has there been any opportunity for full and open consultation and discussion since early this year? No! One would have thought that it was appropriate to have proper consultation, particularly as the Bill was formulated by a task force heavily slanted in favour of the unions. The House should be condemning this Bill as it does not reflect the proper standards of fair play in consultation, which we have come to expect both in the process of drawing up legislation and in this place. However, the lack of consultation does not end there. As we have heard quite often and vociferously over the past few weeks, not even all the unions were consulted, let alone heeded. We have seen the unedified spectacle of the major and ALP-affiliated union, the AWU, loudly and profusely condemning the Beattie/Braddy Bill as one that not only does not favour the AWU but also destroys jobs and will make Queensland an unattractive destination for overseas and interstate investment. If we do not have a competitive environment in the global marketplace, we will simply lose investment.
