



Speech by

**Mr S. SANTORO**

**MEMBER FOR CLAYFIELD**

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### INDUSTRIAL RELATIONS LEGISLATION

**Mr SANTORO** (Clayfield—LP) (11.30 a.m.): In the Courier-Mail yesterday, 24 May, Bill Ludwig, the Secretary of the Australian Workers Union, was quoted at his most candid best when he said that "in the fullness of time people will come to understand that the ALP was the political wing of the trade union movement". Later on he tried to put a softer and less threatening face to this blatant fact when he said—

"Its a historical position that I was referring to. As history tells us, the ALP grew out of the industrial disputation during the 1890s shearers dispute.

Others might argue otherwise, but from my union's perspective we don't want to rewrite history."

Through these statements, Mr Ludwig has done the Queensland public a service. He has openly admitted what everyone in Queensland knows anyway—that the union movement runs the Labor Party and Labor Governments in this State. This reality is very manifest in the contents of the Labor Party's Industrial Relations Bill of 1999 which Minister Braddy will introduce in this place shortly. The Bill demonstrates beyond all doubt the enormous and conclusive influence that the union movement wields over the Labor Party in this State. Mind you, these days different unions are wielding power over Labor Governments. Until recently it was the AWU; today it is that paradigm of propriety, the CFMEU—but more about this soon.

The immediate problem with Labor's soon to be introduced industrial relations legislation is that it will fundamentally undermine the job security of many currently within the Queensland work force and it will fundamentally undermine the willingness and the ability of small business to create new jobs for the thousands of Queenslanders who wish to get into new jobs.

The legislation lends the lie to the Government's often proclaimed commitment to jobs, jobs, jobs. The Beattie/Braddy Bill includes many provisions that will destroy small business confidence, and detailed discussion of these will undoubtedly be the subject matter of a very long debate in a week or so, but several are of real concern and bear strong mention from the outset.

Small business will particularly resent the abolition of the coalition's unfair dismissal laws, which currently provide them with a 12-month probationary period rather than the three months being introduced by the Beattie/Braddy legislation. Mr Beattie is trying to portray this as a favour to small business, but it is smoke and mirror stuff and small business knows this very well. In effect, the Premier is reducing the hiring probationary period for small business from 12 months to three months. Under the coalition's unfair dismissal legislation, the majority of Queensland small business enjoyed this very good policy and this very good legislative provision. They responded by creating jobs in record numbers during the years 1997, 1998 and for part of 1999—even under a Labor Government. This is about to end, and this move alone will stop jobs growth in the small business sector dead in its tracks.

This morning I asked the Minister responsible for small business—

"In view of the most recent QCCI survey, which shows that only 21% of small businesses have the confidence to take on new employees in the next quarter and that 13% intend to downsize their work force, does he, as the Minister responsible for small business, believe that the Government's new legislation, including the removal of the coalition's unfair dismissal exemptions for small business and the reintroduction of unfettered and unlimited entry rights for

union officials, will provide Queensland small business, the engine room of job creation in this State, with incentive to create new jobs?"

If the Deputy Premier and Minister responsible for small business believed that this legislation would in fact create that incentive, particularly the two provisions which I mentioned in my question, all that he had to say was "Yes". If he had faith in his legislation, if he had faith in the ability of small business to create jobs under the provisions of the Braddy/Beattie Bill that is about to be introduced in this place, all that he had to say was "Yes". If he did not believe it, all that he had to say was "No". But he did not answer the question, because he wanted to avoid what will, with the passing of reasonable time, prove to be one of the greatest embarrassments for a Government that constantly talks about jobs, jobs and jobs. The IR legislation will, in fact, stop jobs growth in the small business sector dead in its tracks.

Other provisions which are anti-business, particularly anti-small business, also stand out as being sources of major disincentive to employment decisions. For example, a provision is included in the draft Bill to "encourage" employees to join a union. Some employers will be forced by the militant union leaders to interpret the word "encourage" in a coercive manner. In effect, union preference provisions will be back in the legislation. Again, this will discourage small business from hiring new employees, because they just simply will not want the harassment.

As I have just mentioned, small business employers will also be subject to the harassment of unlimited entry rights for union officials, and this will be used to intimidate small business. Under the Beattie/Braddy legislation, union officials will be able to walk into a small business without notice and demand to see the records of all employees irrespective of whether they are union members. They will be able to disrupt production cycles, harass management and non-union staff and get up to the intimidating tactics of old. Again, the solution for small business will be not to employ, and they certainly will not be employing.

Also, the entrenchment of legal representation within the processes of the Industrial Relations Commission will make the commission even more unaffordable and inaccessible to small business than is currently the case. Small business will simply do what it has been doing for ages, but even more so now: they simply will not go anywhere near the commission.

I could go on at length and detail the hundreds of other clauses in the Labor Party's Industrial Relations Bill—which, by the way, was leaked to the Opposition—which are anti-small business, but the examples I have cited will suffice for now. Needless to say, the Bill is very much a pro-union and anti-business Bill. It is a retreat to the industrial relations laws of the bad

old Labor days of Government. The bottom line is that it will discourage business from employing new people and it will place at risk many existing jobs. It runs counter to and militates heavily against the "jobs, jobs, jobs" mantra of Premier Beattie and his Government.

Before turning to further aspects of the business destabilising effects of the Beattie/Braddy IR legislation, let me just mention in passing my belief that one of the union aims of the legislation is to prop up the declining fortunes of the union movement in Queensland. The Government is obviously very worried about the decline in union membership, as identified by its own review of the coalition's industrial relations laws. The review shows a decrease in union membership from 395,400 in 1996 to 394,100 in 1997. The decline in membership occurred during a period of coalition Government and while the coalition's IR laws were in place. If these laws were as bad as the Beattie Labor Government claims, why were Queensland employees not flocking to join a union in order to gain protection from them? The fact that they did not proves that the coalition's reforms were fair to all parties in the industrial relations system.

I now wish to turn briefly to another consequence of the Beattie/Braddy industrial relations legislation which is of concern to small business, this being the political instability that it will usher into Queensland and the damaging fallout of a bitter inter-union war on small business. There is no doubt that the CFMEU, the union championed by Mr Beattie, had a big win in Cabinet yesterday over the AWU, the union championed by Deputy Premier Jim Elder. The test case in the inter-union dispute was all about the abolition of the greenfield provisions within the coalition's industrial relations legislation. The AWU wanted these provisions to be maintained and the CFMEU wanted them abolished because they have been effectively used by the AWU to bolster its jurisdictional coverage.

So it was a test of strength between Elder, the great political thug, and Beattie, the supreme opportunist and pragmatist. That Beattie emerged the winner was not surprising given the Government's recent backing of the CFMEU position at the Gordonstone and Sun Metals sites and its blatant condoning of the unlawful and disgraceful behaviour by CFMEU supporter and member for Fitzroy, Jim Pearce, MLA. However, this victory by the Premier will pose long-term problems for him, for factional heavyweights and mates Jim Elder and Bill Ludwig have long memories when it comes to settling factional scores. Mr Elder has made no secret of the fact that he lusts after Mr Beattie's job, and this dispute and his possible defeat will add to his reckless and already inflated ambition.

If people in this place have any doubts, they should listen to what Bill Ludwig had to say yesterday during media interviews. He stated that

he was very disappointed and that the new legislation was not workable. He was reluctant to say that he would be "seeking revenge", but it was clear that Mr Beattie had not won a friend. He said that the AWU would have to "suck it and see" and that the greenfield site provisions in the Beattie/Braddy legislation were bad for investment and bad for jobs. When asked whether he could work with unions such as the CFMEU, he said that it would be like joining the AFL and NRL together and inventing a new game like hopscotch. That is what Mr Ludwig is currently thinking. As he said on TV last night, "After the disappointment comes the anger."

Honourable members will need no second-guesses to know who is going to cop the brunt of this anger. Initially and probably permanently it will be Mr Beattie and the CFMEU, but very directly and destructively it will be Queensland small business, which will be caught in the middle of bitter union rivalry—rivalry conducted within the context of political instability. In the end, the people who will really suffer in Queensland are those who are in jobs and want continuing job security and the people who are looking for new jobs that will not be there.

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