Speech by

Mr S. SANTORO

MEMBER FOR CLAYFIELD

Hansard 9 June 1999

INDUSTRIAL RELATIONS BILL

Mr SANTORO (Clayfield—LP) (2.57 p.m.): The Opposition will be opposing the Beattie Labor Government's Industrial Relations Bill 1999. The Opposition will be opposing this Bill for many varied reasons which are all good. Those reasons include—

the Bill before us is bad legislation which replaces perfectly good and effectively working legislation;

it is a Bill which will inexorably undermine the job creation potential of Queensland business;

it will do so because it is anti-business legislation and, in particular, anti-small business legislation;

it is a Bill which unashamedly favours the union movement of this State above and beyond small business;

it is a Bill which seeks to change the balance of power in favour of one union at the expense of another;

the union which this Bill seeks to favour is an extreme, Left Wing, anti-business and often law-breaking union;

the Bill represents a tool which is being used to settle union scores;

it is a Bill which will precipitate industrial warfare between monolithic and bitter union rivals, warfare which will demolish business investment confidence and drive offshore and interstate major job creation projects and investment; and

it is a Bill that pitches Government Ministers against the Premier and vice versa and will undermine the political stability of this State.

Mr Schwarten: The world will come to an end!

Mr SANTORO: Clearly the world will not come to an end. However, it clearly will be a world that will be much less attractive, particularly for small businesspeople and their employees, to live in.

The Bill clearly changes the industrial laws as they currently stand in this State from being fair and balanced for all the parties in the industrial relations system to clearly favouring the unions of employees' interests over the interests of the job creating small business community.

The unreasonable favour being extended to the unions takes on many insidious forms, including providing for: the abolition of the coalition's unfair dismissal laws; almost unlimited rights for unions to enter into the premises of businesses when they like and for whatever reason they choose; the automatic right of unions to intervene at every stage of an agreement making process within Queensland workplaces without warning, let alone prior arrangement; the reintroduction, almost by stealth, of union preference in Queensland workplaces; and, I believe, the commencement of the death of freedom of association, which employees have enjoyed within this State since the coalition's Workplace Relations Act was introduced. The Bill before us includes the abolition of many of the democratic and accountability mechanisms which currently govern the operation of industrial organisations, and in particular unions. These provisions and many others undermine local and international business confidence in the Queensland economy and they send a very bad signal to would-be local and international investors.

In addition to these so-called reforms, the Beattie/Braddy Industrial Relations Bill is introducing to the IR system of this State a pervasive layer of lawyer involvement and lawyer-friendly mechanisms which will make the State

system more expensive, more bureaucratic and, therefore, less attractive for small business to participate in. That particular change being introduced into Queensland has the support of absolutely none of the major players, including some of the union people who are sitting in the gallery and who I know argued incessantly with the Minister. But because it is payback time to the lawyers, this particular provision will go through. The Opposition will talk more about that later on.

These are only a few of the reasons why the Opposition will be opposing this absolutely dreadful piece of legislation. As members on this side of the House rise to participate in the debate——

Mr Reynolds: Where are all your supporters?

Mr Nuttall: They are behind you.

Mr SANTORO: I assure honourable members opposite that they will all be in here in due course. I can assure them that they will be making contributions, one by one, over quite a number of days. Undoubtedly they will add to the very potent reasons I have already stated for opposing this Bill. Of course, there are many other reasons which will be covered by the speakers from this side of the House. Clearly, what I have already outlined is sufficient to convince anyone with any sense of decency to oppose this Bill in the most strenuous way possible.

The coalition is proud to boast that one of its greatest achievements in Government was the introduction of the legislation which gave Queensland an industrial relations system that was fair and visionary. The industrial relations system which the coalition Government put in place and which is still in place today, but not for much longer, has served Queensland well and should be allowed to serve Queensland well.

Government members interjected.

Mr DEPUTY SPEAKER (Mr Reeves): Order!

Mr SANTORO: It is a system which encourages more harmonious relations between employers and employees by stressing cooperation and common goals rather than conflict. It enables people to work more productively while enjoying greater job satisfaction and higher standards of living.

For those honourable members who were too preoccupied with interjecting to hear what I have been saying, I am actually talking about the coalition's industrial relations legislation. It provides the flexibility that business requires to be efficient and innovative in order to effectively respond to changing customer demands and increased competition. It ensures that genuine safety net protections and the notion of a fair go all round underpins moves to greater flexibility. It promotes sustainable economic growth, job and training opportunities and national and international competitiveness. This last feature of the coalition's IR system is one which has continued to deliver in the key area of jobs and it has enabled the Beattie Labor Government to boast of continuing jobs growth in this State.

Ours is an IR system which respects the basic God-given rights of all the people within the system and denies special interest groups, be it business or unions, any special legislative favour. It is an IR system which seeks to advance the interests of all in the system, not just the interests of mates and the friends of the Government of the day, irrespective of which Government it may be.

The coalition's legislation is fair and balanced. At the outset of the debate it is worth while outlining its basic provisions, many of which this Government is about to abolish. The coalition's legislation provides for: a choice of awards or agreements, with awards acting as safety nets; the availability of voluntary agreements to all enterprises, regardless of size; the right of employees to negotiate enterprise agreements using union representatives, private advisers or employee committees; collective agreements to have the concurrence of a majority of employees; agreements to be subject to minimum standards through a no disadvantage test; enterprise agreements to override awards and continue until replaced or terminated; agreements to be varied only on the request of all parties; agreements to apply only to parties and non-binding consenting parties; agreements not to influence awards; mechanisms to resolve disputes during agreements; wages to apply to awards, with provision for the Queensland Industrial Relations Commission to set minimum wages in award-free areas; emphasis on conciliation and capacity for parties to use private mediation as an alternative to the Queensland Industrial Relations Commission; the option of consent arbitration; provisions to protect the community from industrial action involving essential services; awards to contain dispute resolution mechanisms for cooperative and complementary arrangements with the Federal system; the Queensland Industrial Relations Commission to establish minimum conditions to conciliate and arbitrate disputes and to consider unjust dismissals; the Queensland Industrial Relations Commission to have regard to the state of the economy, efficiency and productivity of industry; employer and employee associations to have rights of representation, with individuals to have certain rights of access to the Queensland Industrial Relations Commission; an Employment Advocate—at least, it was there until it was abolished through a previous amendment to the Workplace Relations Act—to provide advice on agreements and to support the recovery of entitlements; the Employment Advocate to be integrated with the industrial inspectorate, therefore increasing the efficiency of

departmental processes; deregistration as an option for serious unlawful or irresponsible activity by industrial organisations; greater emphasis on grievance procedures; access to compensation for third parties who suffer loss from union action.

The coalition's industrial relations system and the legislation which is sought to be repealed also provides for speedy enforcement provisions to deal with the failure by parties to obey orders of the Queensland Industrial Relations Commission. We will come back to that later in the debate as we talk about this Government's attitude to that particular provision during the CFMEU incidents at Gordonstone and Sun Metals. The House can see that the coalition's industrial relations system and legislation are very fair. They do not favour one side or another in the system and they contain many provisions which demonstrably have underpinned the workability of the legislation that we are discussing.

There are many aspects of the legislation that I could be touching upon in this contribution. Unfortunately, because I have only one hour available to me, at least during this part of the debate, I have chosen to focus on three or four of the major provisions which are being tampered with by the Bill before us today. I will talk later about some of the reasons for the introduction of this legislation.

Mr Musgrove: I will move that your whole speech be incorporated in Hansard.

Mr SANTORO: Actually, I would not mind. I could just about accept that recommendation that the speech be incorporated in Hansard. Then I could continue to talk anyway. We are talking about major legislation and I am quite happy to oblige honourable members if they really want to try me on.

What I wish to emphasise at this point is that the coalition's legislation provides choice for the parties within Queensland workplaces—the most essential parties being employers and employees. The provision of choice is particularly important in the vital area of agreement making. Within the coalition's Workplace Relations Act, the agreement-making options are varied and fair. There is provision for the making of collective agreements in the form of certified agreements directly between employers and unions or directly between employers and employees.

The agreement-making process for certified agreements is underpinned by democratic principles, such as the endorsement of the agreements by the majority of employees. It is underpinned by the availability of choice for the parties to invite union participation. I stress that. The process, however, does not provide for unwarranted, unlimited, undesirable union intervention at every stage of the process, as was the case under the Goss Labor Party legislation and as again will be the case after the Bill before us today is passed by the Parliament. The process provides for protection of employees' rights and conditions through the entrenchment within the legislation of minimum standards and processes, such as the application of the no disadvantage test—the no disadvantage test which is applied by the powerful and independent umpire, the Queensland Industrial Relations Commission, which, in our legislation, maintained all of the powers that were previously enjoyed under the Goss Labor legislation. I again state that the powers are undiminished within the coalition's IR legislation compared to what they were under the Goss Labor Party's legislation, despite scurrilous and intellectually dishonest claims made often by honourable members opposite and others outside this place. Of course, the coalition's legislation allowed for the making—the unfettered making—of Queensland workplace agreements between individual employees and employers. The QWA-making provision aimed to provide Queensland business, particularly small business, with the real opportunity to introduce greater and often essential flexibility into their operations through tailor-made agreements which took into consideration the specific circumstances of the businesses in question.

As for certified and collective agreements, the QWA-making process provided for significant protection for employees. The bargaining agent for an individual employee, for example, could be a union. And before the Enterprise Commissioner approved a QWA, she had to be satisfied that an employee had genuinely consented to its terms. Provision was also made for a 14-day period when the QWA could be reviewed before it was signed. And of course, the no disadvantage test also had to be applied by the Enterprise Commissioner prior to approving the QWA. I am talking past tense because the QWA provisions within the coalition's IR legislation have already been gutted by an earlier amendment to the Workplace Relations Act 1997.

What the legislation before us today does is to further emasculate the weakened QWA provisions which are retained in the Beattie/Braddy Industrial Relations Bill 1999. The legislation before us places an irresistible emphasis on collective agreement making within Queensland workplaces—with all of the scope for union intervention which it provides at every step of the agreement-making process including, at the approval stage, when it is before the Queensland Industrial Relations Commission. But more will be said about this by other speakers in the debate. Needless to say, all that I can add in terms of the fairness of QWA provisions is that a good number of them were, in fact, rejected by the Enterprise Commissioner when they were placed before her for her approval, and they were rejected because, clearly, they were not up to scratch in terms of what the legislation wanted them to be. As a result of that, they were sent back to the parties for further negotiation, and the previous industrial arrangements applied until that

QWA—or any QWA in question and rejected—was reworked.

The Workplace Relations Act 1997 also contains many other provisions which are fair to all parties within Queensland workplaces and which are to be substantially changed or abolished by the Bill before us today. One worth mentioning here at this stage of the debate are the right of entry provisions. The Goss Labor Government legislation allowed union right of entry to any workplace where the work carried out was covered by a registered calling of the union. In other words, a union had a right to enter anywhere it had employees eligible to join that union, regardless of whether it actually had members in the workplace. There was no legislative requirement to provide notice to an employer of the intent to enter. However, there was a requirement to forthwith on entry give notice of the officer's presence to the employer—even though that last provision, of course, was of no godly use to an employer, particularly a small businessperson who, all of a sudden, had been presented with the presence of an uninvited union official.

This situation was, as I have just indicated, totally unacceptable, and the coalition, when it came to power, made it a priority to fix up this extremely anti-business industrial practice. The coalition's Workplace Relations Act again made reasonable and balanced provision for union entry into Queensland workplaces, including right of entry in workplaces where a union has members—in other words, where it was deemed to be a relevant workplace; the registrar was able to issue a certificate—and still at this stage can issue a certificate—confirming that it is a relevant workplace, if necessary; the certificate must be produced if requested by the employer; at least 48 hours' notice to the employer of intention to enter was also provided for on application by the union; and the registrar may waive the notice period for urgent reasons if the union was able to demonstrate that there were valid reasons. Again, I am talking about the registrar—part of the independent arbiter/umpire of the Industrial Relations Commission.

The legislation that I am talking about also provides right of entry provisions which allow industrial officers to inspect time and wage records of member employees or employees eligible to become members, interview employers about compliance matters and interview employees together or individually during non-working time. An employee can advise their employer not to reveal their time and wages record to a union officer or particular union officer. Again, that is a right that has now been denied. Inspection of time and wages records in relation to a QWA under coalition legislation can only occur with the written permission of the employee. Again, that is a right that has now been denied under this legislation. I am sure, as I have said before, that most reasonable people would agree that these are equitable and fair provisions which, in the main, are being abolished by the Beattie/Braddy Industrial Relations Bill, which we are debating today. And again, business—particularly small business—will be subjected to the harassment that used to be their regular and, in some cases, almost daily experience prior to the introduction of the coalition's Workplace Relations Act 1997.

Another major alteration to the industrial relations laws of this State relates to the unfair dismissal laws. I wish to briefly outline the unfair dismissal provisions within the coalition's legislation. These provisions give clear recognition that unfair dismissal laws under the Goss Labor Government created a great deal of anxiety, especially in the small-business sector. As a result, a lack of business confidence was created to engage new staff, with the result that unlawful dismissal laws served neither the interests of employees nor employers. I will outline shortly the impact on employment during the Goss Labor Government.

The coalition Government moved, in its legislation, to restore a fair go all round in the area of unlawful dismissals and thereby provided a much wider boost to small business and employment opportunities. The coalition legislation established an unlawful dismissal process which is fair and simple for both employees and employers. By that I mean that it provides a workable process which provides a proper balance between the merits of a case and questions of procedural fairness when considering whether a dismissal is lawful. Also, the coalition's unfair dismissal process encourages the timely conciliation of disputes and discourages the improper use of commission proceedings by expanding the grounds on which costs may be awarded. This discourages claims being drawn out unnecessarily by either party so as to disadvantage the other. So, clearly, the coalition's legislation provides a fair and simple process based on the principle of a fair go all round, a balance between the merits of the case and the questions of procedural fairness and an emphasis on conciliation whereby the commission plays a role.

These unfair dismissal laws have been working very, very well. I will come back to this point later. Not one case of abuse of these unfair dismissal laws has ever been presented in this Parliament, in the media or in any other forum since that legislation has applied. The Minister—who was then the Opposition shadow Minister—never once asked me a question with a view to embarrassing me, as the Minister, about the detrimental effect of the unfair dismissal laws that I have just described. Never once did he ask me a question, and never once did a union bring to the attention of the media or the Industrial Relations Commission a case where it was the

coalition's unfair dismissal laws that were not working. Now, I acknowledge that there were unfair dismissal cases brought before the commission. But that is because it does not matter what system we have, there will always be people who will abuse the laws of the day. But that does not mean that any unfair dismissal cases that were brought before the commission were the result of the coalition's unfair dismissal laws. If that had been the case, I would have had the unions writing to me and the then shadow Minister questioning me in Parliament—which he never did—on this matter. And, to the best of my knowledge, not one case was brought before the Industrial Relations Commission.

What I have outlined to date have been some, but not all, of the major provisions within the coalition's Workplace Relations Act of 1997—most of which are about to be either drastically changed and diminished or totally abolished. Of course, the coalition Government did enact another Act of Parliament called the Industrial Organisations Act of 1997 which deals with the operations of industrial organisations.

This Act, through the provisions of this Bill, is being totally repealed and incorporated in the Beattie/Braddy Industrial Relations Bill 1999. Within the Industrial Organisations Act the coalition introduced provisions to make all industrial organisations—employer and union organisations—more accountable to their members by implementing many of the recommendations of the Cooke inquiry. The provisions which aim to prevent the abuse of moneys and power which the Cooke inquiry revealed—and about which we will talk later on during this debate—provide for the financial accounts of industrial organisations to accord with Australian accounting standards as appropriate; require industrial organisations to include information in statements of income and expenditure for each purpose for which levies or contributions are collected; provide for model rules for the conduct of elections; provide that the rules of an industrial organisation must provide for an annual general meeting where, if the meeting takes the form of a meeting of elected delegates, no more than 30% of the total number are to be full-time officials; provide for the salary and expenses of each elected official to be disclosed in the industrial organisation's financial statements; provide that candidates for elections must disclose details of campaign funds; and provide that the cost to the Electoral Commission of industrial organisation elections is to be paid by the industrial organisation.

I am sure that most reasonable people outside of this place would regard these as reasonable, democratic and accountable provisions and many of them are being either drastically changed or totally abolished by the provisions of the Bill we are debating today. Obviously, the unions have had their way and have obviously dominated the legislative process when it comes to this part of the Bill. There will be more said about this later on by other people who will be participating in this debate on this side of the House.

The coalition's Industrial Organisations Bill of 1997 also abolished those insidious provisions within the Goss Labor Party industrial relations legislation which prohibited genuine freedom of association. The coalition did support, and still fully supports, freedom of association principles. We on this side of the House believe that employers, employees and independent contractors should not be subjected to discrimination or victimisation because they are or are not members or officers of industrial organisations.

As a result of this commitment to principle within the coalition's Workplace Relations Act and the Industrial Organisations Act, all references to compulsory unionism and union preference clauses were abolished. Parties within the industrial relations system— particularly employees and independent contractors—were given back their God-given right to freedom of association, and the Industrial Organisations Bill provides protection for the rights of employees and others, including independent contractors, to join or not join an industrial organisation, and prohibits actions by both employers and industrial organisations which would amount to victimisation of, or discrimination against, employees on various grounds, including membership or non-membership of an organisation and involvement or non-involvement with an organisation or in industrial action.

The object of these provisions is to ensure that employers, employees and independent contractors may join or not join industrial associations of their choice, and to ensure that they are not discriminated against or victimised because of that choice. The legislation provides for various penalties for breaches. Employers and employees can expect a considerable amount of coercion to be applied to them by the unions and the officials when the provision contained in this Bill becomes law. That provision encourages union membership. If people do not succumb to this pressure, one does not need to be Einstein to figure out the consequences for small business as a result of union intimidation and pressure. So, effectively, union preference clauses are back in and freedom of association is dead. Other speakers will take up this point in the debate.

Effectively, the freedom of information provisions are being abolished. This will now make it legal for employees to be encouraged to join a union. How the word "encouraged" is interpreted is anybody's guess. I am sure the union's interpretation will differ greatly from the interpretation of employers.

I have been basically describing the coalition's industrial relations legislation which has been in place since early 1997. Other speakers in this debate will take up other strands in greater detail. Employers— particularly small businesses—have many concerns about the Bill, and I will just list them for the consideration of the Minister's minders so that they can finetune their notes.

Mr Braddy: What about for posterity?

Mr SANTORO: For the benefit of those who will carefully read this debate and for posterity, this is what small business is concerned about: the definition of an employee; unfair dismissals; union entry; union encouragement clauses and freedom of association; a seven-day period within which the registry must place notice re certified agreements; peace obligations reduced to 21 days from 28 days; the ability to flow certified agreements into awards; the abolition of greenfield site provisions; tenure for the Industrial Relations Commission; a full-time president of the court; legal representation before the commission; and abolition of accountability and democratic principles governing unions. Those are some of the issues that will be covered by other speakers on this side of the House. I suppose I had to be patient and summarise what I believed were the immediate and major concerns of employers—particularly small businesses.

However, the proof of the pudding is in the eating. It is instructional to assess what impact the coalition's industrial relations system has had in areas where key concerns were expressed by the then Opposition—now the Government—when I steered the legislation through the Parliament at the historic sitting in January 1997. The then Opposition expressed much concern about the coalition's legislation which we are effectively repealing today including: abuse of employees, which it would allow; its negative impact on jobs; and increased industrial disputation because of its draconian provisions.

In relation to the first concern that I have mentioned, other speakers during the debate will outline in detail the protections which are available within the coalition's legislation. These protections are comprehensive and utterly protect the basic rights, conditions and wages of employees. I have already alluded to some of these protections.

However, what I can say here at this stage is this: at no time since the coalition's legislation came into effect in early 1997 has any member of the Opposition—now the Government—brought to my attention, the attention of the Parliament or the media, a case of abuse of workers and/or employees as a result of the coalition's workplace relations or industrial organisation laws. There has not been one single case. If there had been one—whether it related to unfair dismissals or QWAs, for example—we certainly would have heard all about it. There would have been outcry, strikes, speeches in this Parliament, questions to me as the Minister, media references and articles and scandal sheets. But there were none, and there has not been one, because the coalition laws were, and still are, fair laws that advance the interests of workers and protect their existing rights. When it comes to employment creation, the record of the coalition Government—operating under the workplace relations laws that we are debating today—is one of which we can be proud and one from which the current Beattie Labor Government is still reaping the benefits and basking in the reflected glory.

It is instructive to see the record of the coalition in relation to employment creation by the time the Government changed. From the time the coalition came to Government to May 1998, 97,700 new jobs had been created in Queensland with a record number of Queenslanders then in employment. Under the coalition Government, there were more Queenslanders in work than ever before. Total employment jumped to an all-time record level of 1,616,100 in May 1999. That was in stark contrast to Labor's last term in office, when 58,000 Queenslanders—and I stress that figure for members opposite: 58,000 Queenslanders—lost their jobs and unemployment soared by 65% under Labor's industrial relations laws. In July 1992, the Goss Labor Government gave Queensland its highest unemployment rate of 11.1%—the highest since the Great Depression. Compared to that record, in March 1998 the coalition gave Queensland its lowest unemployment rate of 8.3%—the lowest rate since July 1990, more than seven years.

Clearly, the coalition's policies had been responsible for outstanding employment growth and clearly one of those policies was its industrial relations legislation. Looked at from a national perspective, Queensland's employment growth for the year to May 1998, just before the coalition left office, was 4.3% against the national growth of 2.1%. The State's then projected economic growth for 1998-99 was 3.75%, which was well ahead of the national rate of 3%, and in the 12 months to May 1998 under a coalition Government, 30,200 full-time jobs and 36,000 part-time positions were created. In fact, Queensland's growth in full-time employment accounted for 33.2% of the national figure of 91,100, while new part-time jobs in Queensland represented 41% of the national total of 87,700.

Just before the coalition left Government, there was also good news on the youth unemployment front. In May 1998, 15 to 19 year olds seeking full-time employment fell to 25.3%—the lowest rate since July 1996, a few months after the coalition came to Government. So there was record job creation and record low unemployment rates under a coalition

Government operating under the coalition's industrial relations laws. Obviously, those industrial relations laws worked very well for the job creation prospects of the State.

Mr Johnson: And it is still working well.

Mr SANTORO: They are still working well and the Premier still basks in their reflected glory.

When it comes to industrial disputation in relation to the coalition's industrial relations legislation, again the story is very good. While the coalition was in Government, Queensland experienced progressively lower levels of industrial disputation, particularly since the enactment of the Queensland Workplace Relations Act 1997. Queensland went from being the strike capital of Australia under the Goss Labor Government to being the State that recorded the lowest level of industrial disputation in Australia. The Queensland strike rate decreased steadily from 172 in March 1997 when the Queensland Workplace Relations Act 1997 came into effect to 70 in January 1998. That represented a decrease for the 10th consecutive month and the Queensland rate of 70 for January 1998 was lower than the Australian figure, which was 73.

Mr Borbidge: The lowest figures since 1913.

Mr SANTORO: Absolutely, the lowest since 1913. That trend continued through the last few months of the coalition term of Government, a factor even acknowledged by the Government's own report resulting from a review of the industrial relations legislation in Queensland. Page 35 of the report states—

> "Overall there is some evidence that mechanisms for consultation with employees have increased and some of this is associated with bargaining and workplace change;
>
> There are considerable requirements for consultation with employees built into the legislation as it relates to bargaining, although the evidence on enforcement of these is less clear."

Honourable members will notice that I am not quoting selectively from the report; I am giving the good comments and the not so good comments in that biased report produced by a stacked committee. I will talk about that shortly. The report states further—

> "Strike action has declined, although this seems to be largely the result of economic and social factors, rather than changes in the system; and
>
> the responsiveness and accessibility of the system is not easily assessed due to the lack of evidence."

Although the report baulks at coming to a conclusion as to why industrial disputation decreased during the coalition's term of Government, let me state the reasons why: because the unions had no moral or publicly sustainable reason to undertake widespread industrial action. Under the coalition Government, there was record job creation and record jobs growth, there was a record level of participation in the work force and, under the coalition's legislation, there were no demonstrated or proved cases of abuse. There was absolutely no reason that could be morally or technically sustained whereby the unions could say to the public that they justified in going on strike.

Why are we changing these laws that gave people jobs and job security and clearly were not being abused by employers, although members opposite often seek to demonise employers? Before coming to some of the points as to why we are debating this legislation today, I will talk briefly about the so-called review of the legislation by the Minister's task force. That task force consisted of an academic as the chair—who also happens to be the wife of the director-general of the Premier's Department—three employer representatives, three union representatives, another academic and two departmental representatives. One would assume that the academics would do what academics always do.

Mr Borbidge: It was pretty broadly representative, wasn't it?

Mr SANTORO: It certainly was. As the Leader of the Opposition suggests, the task force was not representative at all. It seems to me that the small business interest and the employer interest were overwhelmed by the academics, the departmental representatives and, of course, the union representatives on that committee. Clearly, many of the recommendations within that report are not in any way intellectually or experience-wise sustainable in a small business context.

Of course, departmental consultation was nil. Departmental heads were complaining that the draft legislation was not provided to anybody of any significance within the Government. Two or three reports were floated around the Public Service, but they certainly were not made available to directors-general. As for employer consultation, the draft legislation was shown to employers on the Thursday before it went to Cabinet, on the Thursday before it was introduced in this place. Originally the employers were told that they could not take the draft legislation away for comment. Finally, after they objected, they were allowed to do so. Of course, the Minister was not the most easy person to get in contact with so that the employers could discuss with him their concerns about the legislation. When it comes to union consultation, which I am about to go into in some detail, of course the right unions were consulted, but, as we have heard over the last little while, many of them were not.

Basically, we have a union Bill that is

designed to enhance union power and to entrench union power. One needs to look at the reason why this is the case.

Mr Schwarten: Be original.

Mr SANTORO: I will be original. Shortly I am going to start quoting the amounts of donations made to the ALP by the union movement.

Mr Schwarten: It's a surprise that unions give money to the Labor Party.

Mr SANTORO: I went to the Electoral Commission and purchased the returns by the Labor Party to the commission and had a look at what donations from the trade unions go to the Queensland Branch of the Australian Labor Party. I found that in 1994-95 the figure was $1,019,000; in 1995-96, $1,074,000; in 1996-97, $969,000; and in 1997-98, $1,907,000. In other words, $2m—up from $1m in 1994 to $2m in 1998. When one looks at the unions that are giving money, one can see how the power struggle comes about. I know that other members——

Mr Borbidge: In future the AWU might be giving a bit less.

Mr SANTORO: It is interesting that the Leader of the Opposition makes that point, because I am sure he will appreciate finding out how much the AWU donated in 1994-95—$218,540; the ALHMWU, $108,000; the Shop Distributive and Allied Employees Association, $108,000; the AFMEU/PKIU, $74,000; and the Queensland Nurses Union, $47,000. In 1995-96 the AWU donated $287,000; the CFMEU, $135,000—they got into the act that year; and the ALHMWU, $142,000. In 1997-98, the campaign year, the Australian Workers Union donated $221,000; the CFMEU, $79,000; the ALHMWU, $153,000; the SDAEA, $130,000; and the CEPU, $68,000.

The honourable member for Rockhampton interjected earlier and asked whether it surprised us that unions give money to the Labor Party. The answer is that it does not because we know that they do. However, unlike any other entity that donates to the non-Labor parties, the unions own the Labor Party and they dictate to the Labor Party what it does in this place.

Clearly the CFMEU is the big winner over the AWU in this legislation, as can be seen, obviously, through the abolition of the greenfield site provisions. When one looks at the power structure involved, the CFMEU is strongly backed by John Thompson, the secretary of the ACTU in Queensland. Both the ACTU under his leadership and the CFMEU are led by strong left-wing unions and union leaders. What sort of people are involved in these unions and union conglomerations? John Thompson is the fellow who, when the good people opposite got into Government, said, "To the victors, the spoils." That was despite the fact that the victors' vote at the election fell by 5%, but they claimed a mandate. I admit that the non-Labor vote was also significantly affected at the election, but there is no way that members opposite should have claimed a mandate based on the election results. However, that is what John Thompson said.

Of course, the CFMEU is made up of law breakers. Members need only witness the assault and the vandalism on Parliament House in Canberra, the racial vilification, the sexual intimidation and the disregard and abuse of Queensland Industrial Relations Commission orders in relation to Sun Metals and the illegal picketing at Gordonstone, which was supported and condoned by members in this place. Members need only consider the Full Court's findings on the CFMEU and the BLF. In relation to the BLF, the court said that it made no real attempt to bring about compliance with the commission's order in relation to Sun Metals. When it came to the CFMEU and its organiser Michael Ravbar, an industrial officer employed by the union in Brisbane, and particularly the local organiser Frank Young, who had the carriage of the CFMEU's compliance with the order, the court stated—

> "Young's activities on the morning of 22 February fell far short of what was required by paragraphs 3 and 5 of the order and Ravbar's instructions to Young did not constitute substantial compliance with those terms."

They broke the commission's orders. What did Bill Ludwig say about the finding of the commission? He stated—

> "When the actual hearings were on both in the Commission and in the Court, the government"—

that is, the Beattie-Braddy Labor Government—

> "made no submissions, no submissions at all in terms of support for the State Industrial Commission and support for their own laws, so you would have to question ..."

And yet this Bill favours the CFMEU over the AWU. Why is this the case? I will state a few reasons and I will go deeper into them later in the debate.

Obviously, Peter Beattie hates the AWU and Bill Ludwig. They kept him in the cold for so many years that, basically, he is settling the score. Beattie owes the CFMEU and the ACTU for their election support and the constant antagonism of those two industrial organisations to the coalition Government. The AWU was professional enough to work within the laws. It is a pragmatic union, which is one of the reasons that it is favoured by employers in terms of greenfield site arrangements. The AWU cooperated professionally with the coalition Government. I do not mind saying that at the risk of giving Bill Ludwig an even worse reputation than he already

has. They cooperated because more than any other Queensland union the AWU understands that the State rides on jobs. When it needs to come to an arrangement and an accommodation, it starts thinking about jobs rather than indulging in ideological recrimination.

Of course, apart from the fact that he owes it debts, Mr Beattie favours the CFMEU because he wishes to undermine his Deputy Premier, Mr Elder. I will not go into a long political discourse on that issue. We will see that fight develop and it will be displayed for all Queenslanders to see over the next few months.

The Opposition is also looking at an outside influence on this legislation, that is the influence of the director-general of the department. We will eventually have a very close look at how the director-general of the department dealt with the CFMEU when the coalition was in Government and what favours have been returned as a result of those dealings. I will say more about that at a later stage.

This Bill provides a shift in the balance of union power. Normally I do not concern myself with union power or any shifts in the balance in union power. The tragedy for Queensland is that it is a shift of power from a pragmatic union, in so far as a union can be pragmatic in terms of jobs and the greater public good, to a union that is clearly unlawful, that abuses the system and abuses the workers. As a result of the abolition of greenfield agreements, we will see the end of industrial peace and an increase in industrial disputation; the increase of demarcation disputes between unions, particularly the CFMEU, the BLF and the AWU; and open warfare, not only between unions but also between unions and the Government of the State. Basically, that will undermine the image of Queensland as an investment destination. Queensland will not be seen as a State in which overseas and interstate investors can invest with confidence, sure of a stable political and industrial relations environment. The people at Sun Metals have already told the Government that, and the Government knows it. This legislation will place in great jeopardy the existing investment in Sun Metals. It will also place in great jeopardy the expansion of that project.

Mr Borbidge: It will sink Stage 2.

Mr SANTORO: It has the potential to sink Stage 2. The Government has been told that, yet it is still proceeding with this industrial madness in this place. Bill Ludwig will not let the Government forget it. As I said not too long ago in this place, he said—

> "In the fullness of time people will come to understand that the ALP was the political wing of the trade union movement.
>
> It's 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."

Bill Ludwig is very mad at the Government. He has said that the new legislation is not workable. He is reluctant to say that he will be seeking revenge, but it is clear that Beattie has not won a friend in Ludwig. He also said that the AWU would have to "suck it and see" and that greenfield site provisions were bad—bad for investment and bad for jobs. Asked if he could work with unions like the CFMEU, he said that it would be like joining the AFL and the NRL together and inventing a new game like hopscotch.

A week or so later, after he had time to suck it and see, Bill Ludwig spoke with Spencer Jolly about Peter Beattie. Spencer Jolly introduced the interview with the following words: "The Premier is well aware of AWU anger at his industrial relations reforms, however just days out from the State conference Mr Beattie won't budge." The Premier said, "There will be no trade-off, there will be no side deals." I understand that some side deals are being desperately attempted as we speak. We will see how good those side deals are and precisely who benefits from them. Ludwig said, "I don't think there's much fairness in the legislation." The reporter went on to say, "The Premier and the Labor Party soon may not be able to count on the AWU's $.125m contribution to the party's coffers each year." Ludwig said, "It probably has not deteriorated to that point yet." The reporter said, "However, rising discontent in AWU ranks over the Beattie Government's recent decisions could boil over into a call to walk away from affiliating with the party." Ludwig said, "We always have to have their thoughts in mind." Ludwig will not forget this.

This is not just good old union bashing from me; I am talking about the undermining of industrial and political stability in this State. Not only will there be unions against unions, there will be unions against the Government of the day. The message that that sends out to potential investors is bad, bad, bad for jobs, jobs, jobs.

Later on, a member of the Opposition will make a very substantial contribution in relation to the survey which the QCCI conducted and published. But the news in that survey is all bad. This morning I heard the Treasurer attack it viciously. Obviously, he has not read the survey. When it is quoted by other members on this side of the House, he will realise that 37% of all employers who responded to the survey—it is a representative survey, and we will give the details of it—will be laying off people. That is the legacy—the gift—of this legislation to the union movement. That is the real present that the people whom the union movement purports to

represent will get—jobs losses and declining job opportunities.

The next time we hear the union movement bemoaning the lack of job security, we will know that it can thank this Government and its bloody-minded ideological commitment to overturning good legislation for job losses. We have to ask the question: is the union movement legitimately and morally entitled to have so much say? I accept that the Labor Party grew out of the union movement and that there should be an affiliation or a heartfelt connection and perhaps even an intellectual connection. I understand that it provides a lot of intellectual sustenance for the Labor Party. That is understandable, because of their history. However, let us look at whether that can really be justified.

Basically, the union movement has been in decline for many years. The Government's own review shows that even under the coalition's legislation union membership declined. The Government's report identified that, under the coalition's industrial relations laws, there was a decrease in union membership from 395,400—31% of all employees in Queensland—in 1996 to 394,100, or 30.9%, in 1997. That happened under the dreaded, much maligned and, if we listen to members opposite, malignant coalition industrial relations legislation. People were so unconcerned about it that they left the union movement; they just did not join. The official figures for every union in this State, with the possible exception of the State Public Service, where there is still an incredible amount of intimidation to be in a union, show that union membership declined. The Labor Party has no moral basis for its claims. On 3 May 1999 an article headed "Unions struggle for relevance" appeared on page 10 of the Courier-Mail. In that article, Mr John Thompson said of union relevance—

> "... for the movement to 'have a voice', unions need to represent at least 40 percent of all workers."

Unions have got only 30% membership now.

Mr Borbidge: And dropping.

Mr SANTORO: And it is dropping. According to the definition of "relevance" given by the ACTU boss in this State, the unions do not have a voice.

Mr Borbidge: Rejected by 70% of workers.

Mr SANTORO: That is right. Under the coalition's industrial relations laws, the unions were not only rejected but also not embraced by the vast majority of the work force. Before I make the most telling point about the union connection to this Bill, I will make another point. On 29 May 1999 an article appeared on page 12 of the Australian Financial Review headed "Workplace laws erode union power". It went on to describe how the coalition's Federal and State industrial relations laws, because they actually give people a choice as to whether or not they want to associate with a union of employees, resulted in people walking away from unions because we gave them that choice.

Another interesting article in the Australian Financial Review summarises some research into the area, which is very abundant. The article is headed "Service-oriented unions fare better" and states—

> "The researchers, Dr Richard Hall and Dr Bill Harley, found that by the mid-1990s just over a quarter of Australian unions had adopted this service-oriented approach, which treats union members as consumers by: Providing non-industrial services ..."

The unions have lost the battle in terms of industrial relevance. These days they need to offer financial advice, training and discounts on goods and services to attract members. They are no longer providing core services—a responsibility with which they were entrusted by their original members and whom they served faithfully until 20 or so years ago, when they started becoming irrelevant because all they were interested in was pursuing ideological agendas. That is why the Courier-Mail, small businesses and all other decent, freedom loving, thinking Queenslanders will hate this Bill.

It does not matter what Government members say in here, because we will go out and say that we will repeal what they are doing in this legislation when we are back in Government. That is what we will say and publish. It does not matter how much Government members try to mock or denigrate us, because they will not be able to come up with an intellectually sustainable argument to justify their laws. Under the coalition's industrial relations laws there was massive employment growth and a massive participation rate. They never once came into this place and questioned the former Government or me, when I was the Minister, about abuses. That is because they were not occurring. The reason this Bill is here is to give unions entrenched legislative monopoly power so that they can become attractive; so that they can have the power to enforce compulsory unionism to boost their membership from 30% back to at least 40%, which John Thompson identifies as the relevant threshold. We will speak about what the Government is doing and we will know that what we say is already supported by the majority of Queenslanders, particularly the small business sector, which employs the majority of Queenslanders, and we will win the moral and intellectual argument.

A little while ago I was almost thinking about getting out of politics. I will tell honourable members one of the reasons that I decided to stay involved and to hang around for the long term. It was not so that I could get even but to do

good things again in this area. It was also because of this Bill, when it was introduced by this Minister. I will hang around. I will give Government members one guarantee: we will fix the industrial relations system of this State again, but next time permanently, when the people give us a chance to fix it.