



Speech by  
**Jon Krause**

**MEMBER FOR BEAUDESERT**

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## **INDUSTRIAL RELATIONS (FAIR WORK ACT HARMONISATION) AND OTHER LEGISLATION AMENDMENT BILL**

**Mr KRAUSE** (Beaudesert—LNP) (8.07 pm): It is always refreshing to listen to the member for Bundamba because it indicates to me that we will be in government for a very long time with people like her on the opposition front bench—well, on the opposition bench. While there is a front bench and a back bench, we cannot tell the difference because there are only seven of them. If opposition members want to call us Tories and talk about not consulting with people, perhaps we should talk about the asset sales. Did they consult with the Queensland public and QR National about asset sales? No. Who did not consult with the Queensland public about removing the fuel subsidy? Was it the Tories or was it Labor?

**Mr Dowling:** Labor.

**Mr KRAUSE:** It was Labor. Who did not consult with the Queensland public about cutting the stamp duty concession? Was it the Tories or was it Labor?

**Government members:** Labor.

**Mr KRAUSE:** And who did not consult with the Queensland public about stuffing up the payroll system for Queensland Health? Was it Labor or was it the Tories? It was Labor. So the member for Bundamba cannot talk about not consulting. I have never heard 10 minutes of such rubbish.

I speak today in order to support the Industrial Relations (Fair Work Act Harmonisation) and Other Legislation Amendment Bill 2012. At the outset I commend the Attorney-General—the Kmart Attorney-General as he was called by the member for Bundamba in what I believe was unparliamentary language, but we will leave that for another day—on his earlier second-reading speech to this House and more generally on the gusto with which he conducts himself in the House.

It is rare to find such enthusiasm for Her Majesty the Queen in people of my generation—perhaps even any generation—but long may she reign over us. On this day—Queensland Day—we should all recall the fact that our great state is named after one of our present sovereign's ancestors, Queen Victoria. In those days it is likely that the monarch retained the discretion not to assent to colonial acts, so we should be grateful every day, and especially on Queensland Day, that Queen Victoria did and created a separate colony of Queensland in 1859.

I am particularly interested in this area of legislation and have held a keen academic interest in it since my days at university, when I undertook as an elective a course known as labour law. It was not about the Labor Party; it was about industrial relations law. Incidentally, I achieved quite a good result for that course. However, my interest extends beyond academia and into the effects that such laws have on the day-to-day lives of everyday Queenslanders and everyday Australians, and that is something which members opposite do not spend a lot of time focusing on these days. Of course, in those days at university we had a far better piece of federal legislation to study than we have now. We had the Workplace Relations Act 1996. They were the days of low rates of industrial action and increasing productivity. They were the days when Australia's economy was under the stewardship of John Howard and Peter Costello and before

the time that Peter Beattie and Anna Bligh managed to wreak havoc on Queensland's finances. But I digress.

I speak in support of this bill because it brings Queensland's public sector into line with the Commonwealth and recognises that the public sector does not exist separate from the Queensland economy. It is part and parcel of the Queensland economy, and this legislation ensures that in any arbitration the condition of the Queensland economy is a factor to be considered.

The objectives of the bill are well set out in the explanatory notes. First and foremost, the bill requires the Queensland Industrial Relations Commission to give consideration to the state's financial condition and strategy and the financial position and strategy of the relevant entity when determining wage negotiations. I may be new to this place, but I do come here with some experience working in the real world, in a real job in the private sector. I have worked in the private sector, I have worked in small business and I grew up in a small primary production business. My electorate comprises many small businesses which no doubt apply certain tests to any spending decision they make.

When those small businesses weigh up whether or not they will offer pay rises to their employees, firstly they ask themselves if they can afford it. If a business cannot afford pay rises, they should not be required to give them. There are no jobs in bankrupt businesses. The Treasury has confirmed that Queensland's fiscal position is so dire that it must be put right. Queensland under the Labor Party was headed for bankruptcy.

**A government member:** Unsustainable.

**Mr KRAUSE:** It was unsustainable and headed for bankruptcy, and I for one do not want to see in Queensland or in Australia the type of social unrest which is now being seen in places like Greece, where decades of public sector waste, inefficiency and luxurious working conditions for state employees have literally sent Greece to the brink, economically and socially. I do not want to see that here, but that is where we were heading under the Labor Party.

Secondly, a prudent small business would ask: does productivity justify investment in new equipment or plant or higher salaries? We should ask that in this situation, too. The Queensland government—the Queensland people—are the employers of Queensland public sector employees. As a representative of the Queensland people, I would be failing in my task, as the members opposite are failing in their task, if I did not ask questions about whether investments in employees by way of increased wages were going to lead to increased productivity, thus reflecting a sound investment of taxpayer funds.

But there is one other thing that I consider it appropriate for a fiscally responsible government to ensure is considered by the QIRC when the public sector in this state makes up a high proportion of the economy's employees, and that is the effect pay rises might have on underlying inflation. Inflation is the enemy of the working people and the enemy of the Australian economy. We have seen it before where wage rises simply bear no resemblance to what is occurring in the economy—and it is always Labor governments that bring us this—which leads to a wage-price spiral, whereby spiralling wages lead to spiralling prices and spiralling inflation. All Queenslanders lose in that scenario and we as prudent economic managers must ensure that this does not occur, so I commend this objective.

The second objective is related to the first, and that is to allow the financial position of the employer where the employer is a local government or local government corporation or a P&C association to be considered. Again, this might seem eminently sensible. If a local government body is on the brink of bankruptcy or insolvency and as a result of pay rises it will be pushed over the edge, then it is only logical that they should not be required to give pay rises to their employees.

This bill is really about keeping the cost of living low for Queenslanders. Today in this place we heard the Leader of the Opposition complain that we are not debating the cost-of-living bill. Wage rises have to be paid for somehow, and how do councils pay for their bills? How do they raise the money to pay for wage rises? They put up their rates. So every pay rise which places yet another burden on local government will, one way or the other, mean ratepayers pay higher rates. Do the Leader of the Opposition and members opposite support higher rates for ratepayers? Is this new Labor Party policy? We know that they do not like local governments much because they destroyed them during the last parliament, but do they want to continue doing so? These two objectives are sensible and prudent measures of a government which has a mandate to get Queensland's finances back on track.

There is just one other objective I want to address tonight before I commend the bill to the House, and that is objective 4. This allows the minister to make a declaration terminating industrial action if the minister is satisfied that the action is threatening the safety and welfare of the community or the economy. This mirrors a law in the federal workplace legislation. If this is so objectionable, why is the opposition not lobbying the federal government to remove this power? The answer is that the opposition knows that this power is and always will be exercised with due diligence and caution. We on our side generally support the right of employees to exercise their right to union representation and even to withdraw their labour.

However, as a government responsible to the people we cannot permit employees of the Queensland government—the Queensland people—to take industrial action which endangers our economy.

While talking about damage to the economy, it is arguable that the failure of the federal minister to intervene in the Qantas industrial action last year showed the hopelessness of the Labor government in Canberra. It was damaging the Australian economy and yet it failed to stand up to the unions. Labor is utterly and completely beholden to the unions, even when they hold Qantas on the ground and the country to ransom. That dispute ended only when Qantas took industrial action of its own, but we in this place and the Queensland people cannot do that. They cannot take industrial action against Queensland public sector employees. We must not be held to ransom by industrial action in cases where it threatens our welfare or our economy.

We must remember the context—a \$4 billion deficit, a \$60 billion debt and the Labor government borrowing from overseas just to pay the wages. The state has been run into the ground by Labor. It is our job to get it back on track, and we will work with the public sector to get it back on track. This bill brings the public sector into a collaborative process of getting the Queensland economy back on track. It will be part of the negotiations where the economy is considered in its wage claims. This is as it should be, and I commend the bill to the House.