




Speech By
Tony Perrett

MEMBER FOR GYMPIE

Record of Proceedings, 30 November 2016

INDUSTRIAL RELATIONS BILL

 **Mr PERRETT** (Gympie—LNP) (9.36 pm): I rise to speak to the Industrial Relations Bill 2016. Put simply, this bill is about increasing union power. This legislation is so depleted in providing good workplace relations for both workers and their employees that I suspect that it was written in Trades Hall and emailed across to the minister. There is nothing in this bill that equates with improving the economic and employment outlook for Queenslanders.

This bill had its genesis in a report of the Industrial Relations Legislative Reform Reference Group. That review group was stacked with a chair who was an ex-Labor government director-general, six union representatives, six state government bureaucratic representatives, one academic, two legal experts and only three employer representatives. The Local Government Association of Queensland, which was an active member of the review, said that it is—

... important to record that the Group was chaired by a former trade union official, supported by a labour lawyer and was dominated by trade union representatives ... it is fair to say that the outcomes from the review, as expected, heavily favoured the views and interests of trade unions.

This bill is flawed in its construction and damaging in its outcomes. It is an example of what you should not do when implementing major policy changes. It has paid lip-service to consultation, contains reverse onus of proof measures, implements a financial impost without providing a regulatory impact statement and removes many accountability measures. The broad range of measures in this bill include removing the state's ability to intervene and terminate protected industrial action when it posed a risk of significant damage to the economy; threatening or would threaten to endanger the health and wellbeing of the local community; and introducing a scheme of uncapped damages from adverse actions that are contained in the Fair Work Act. These actions may include a transfer to another position, starting an investigation process, issuing a warning letter, altering a roster, imposing a suspension, or treating an employee less favourably than another.

The bill also contains a reverse onus of proof whereby employers must prove their innocence; it removes the independence of the Queensland Industrial Relations Commission—the QIRC—regarding the modern local government award; gives the QIRC jurisdiction to determine antibullying claims; and gazettes an additional public holiday on Easter Sunday. In seeking to appease the shoppies union with the extra holiday, the government forgot to amend the Trading (Allowable Hours) Act 1990 to allow shops to open on that day.

In effect, it means that Easter Sunday will be a public holiday but the shops cannot open. This measure had no regulatory impact statement and there was no consultation with the business community. It will mean a 43 per cent increase in the hourly wage rate for hospitality businesses and 25 per cent for retailers. The additional wages cost is estimated at up to \$80 million, with \$4.8 million to \$13.3 million for the Queensland public sector. This bill will wind back accountability and transparency measures that made union bosses answerable to grassroot union members on how their union dues are spent. This is despite numerous examples of the excesses of highly paid union bosses using members' money for prostitutes, cars for extended members of the family, holidays, school fees and

exorbitant dining out costs. This bill seeks to change the local government modern award process which will lead to higher rates or job losses in councils across Queensland and is estimated to cost \$100 million.

Previously, I served as deputy mayor of Gympie Regional Council and, before the infamous amalgamations, on the Kilkivan Shire Council. Armed with that experience, I am concerned with the lack of legitimate consultation with councils and the economic cost of the bill. The LGAQ advised that no genuine consultation occurred with the LGAQ or councils prior to the decision by cabinet to implement all the recommendations. During the last 22 months the state government has overridden the interests of local government in industrial relations. In the words of the LGAQ—

Councils now lack confidence in the state government's regulation and management of the state industrial system and believe the state has demonstrated industrial disregard for the interests and views of councils as key players in the state system.

...

Because of recent events, Councils have a level of distrust towards the Government on industrial matters and hold a strong view that a serious chasm exists between government rhetoric on innovation and job creation and simultaneous regulatory actions on industrial matters affecting Councils and their management of the workforce. This disconnect affects the Councils delivery of services to their communities and the cost of those services for the community.

I remember the toxic and poisonous relationship of previous Labor governments with councils. I watched the disastrous effects of minimal consultation and a government riding roughshod over local governments. Premiers Beattie and Bligh took more than a decade to destroy that relationship and create an atmosphere of complete suspicion and distrust. In less than two years this government is fast on the road to the same relationship. The government says it wants to create jobs—that is, jobs for union mates, but not jobs for decent, modest, hardworking employees. The LGAQ said that under this bill, the government promises more extreme changes to the industrial system, which promote the cause of trade unions, undermine freedom of association, impose additional costs on councils and their communities, threatens the productivity of councils, and further erodes the independence and decision-making capacity of the Queensland Industrial Relations Commission. The proposed industrial relations framework will lead, in the local government sector, to further job losses, stifle job creation activities, impede productivity and increase the risk of additional costs to the community, particularly for ratepayers.

The LGAQ said that the legislation as it stands now puts the final nail in the coffin on the single modern local government award. This is despite demonstrated positive outcomes in councils which moved to the single award. Between 2014 and 2016 the 23 councils which had moved to that single award collectively recorded a 1.61 per cent increase in job numbers. In comparison, the 53 which still had multiple awards, with their numerous inequitable and dated conditions, recorded a 2.04 per cent decrease in jobs numbers. In short, there would be an additional 1,006 jobs in local government if those with multiple awards had increased their employment levels at the same rate as those councils under the single award.

The LGAQ said that any suggestion that by adding increased complexity to a payroll situation will not cause additional costs is quite fanciful. The recent report by the Auditor-General about the financial stress being faced by medium and small councils is concerning. Under what logic would you then impose on them more bureaucratic complexity? It is crazy, and wastes scarce ratepayers' dollars, to have staff managing an unnecessary and complex payroll system rather than delivering services to the community. Unlike the state government, which is a single employer, there are almost 40,000 local government workers employed by 77 different communities. Labour costs represent about 50 per cent of total local government costs and equate to about \$4 billion to \$5 billion a year. Greg Hoffman said—

In the context of the Queensland Audit Office's recent report, we find ourselves in an incredible bind in terms of what is expected of us in the financial and asset management space and labour cost management to now find our hands have been further tied behind our backs.

...

We cannot understand why, with the successful implementation of the one award and a number of certified agreements put in place with overwhelming employer support, it is necessary to do this. There is no basis; there is no justification. It is a spurious argument that the workers of local government need to be protected by this award and it distresses us in local government managing seeking to sustain their employment ... in very stressful and difficult times, many of them in rural and remote areas, that we now have lost control of our workforce.

That was what was said by Greg Hoffman, the very well respected and now retired local government manager in Queensland who just last month the Deputy Premier stood beside at the LGAQ conference at the Gold Coast and made special mention of his service.

This bill is not about improving job opportunities and conditions for local government workers. This bill is not about workers' rights and improving the conditions of all Queensland workers. It is not about creating jobs. It is not about improving the economic health of Queensland. It is not about monitoring the excesses of highly paid, uncontrolled union bosses who fleece workers' union dues. The only thing that makes sense about this bill is that it is purely about garnering support from the union bosses who control the preselection of Labor members of parliament, who choose who sits in cabinet and their portfolios and who dictates the legislation that this government brings to the parliament. The government is beholden to the union bosses and this is their payback. In short, this bill is union-bullying, job-destroying legislation and should be opposed.