



## **SPEECH TO THE SENATE ABOUT THE IMPORTANCE OF A MODERN FLEXIBLE WORKPLACE RELATIONS SYSTEM AND THE RISK POSED BY A LABOR VICTORY TO THE WA ECONOMY**

**By Senator Mathias Cormann on 18 September 2007**

[Senator CORMANN](#) (Western Australia) (11.09 p.m.)—Mr President, I seek leave to speak for more than 10 minutes.

Leave granted.

[Senator CORMANN](#)—Today, at this late hour, I would like to speak about the importance to the Australian economy of a modern and flexible workplace relations system—a workplace relations system that helps deliver more jobs and better paid jobs; a workplace relations system that is particularly important to the ongoing success of the resources sector and the building and construction industry in Western Australia.

The resources sector in Western Australia has led the charge when it comes to implementing workplace reform. In fact, that is because it knew that, if it wanted to take advantage of increasing world demand and world prices for our resources, we had to improve our productivity, we had to reduce our levels of industrial disputation and we had to develop a better relationship between employers and their workers. The resources sector in Western Australia has been able to benefit from modern, flexible workplace arrangements since 1993, when the Court state government first introduced individual workplace agreements. And, of course, since winning government in 1996, the Howard government has successfully reformed workplace relations nationally through a series of significant reforms like the introduction of Australian workplace agreements.

And thank goodness we did, because when Labor won government in Western Australia in 2001 they had to deliver on a promise. They had to deliver on a promise they had made to the majority shareholders of the Australian Labor Party. Without flinching, the incoming Gallop Labor government did everything they could to hand control of workplaces back to the union heavies—to the Kevin Reynoldses, the Joe McDonalds and all their cohorts. The result? For a start, an immediate 300 per cent increase in the take-up of Australian workplace agreements by workers in the West Australian resources sector alone. The result today—more importantly—is a thriving resources sector in Western Australia driving our economy. In fact, Western Australia is driving much of the success of the national economy, with the result of unemployment at 3.1 per cent in Western Australia, with the result of strong wages growth, 21.5 per cent growth in real wages since 1996—compare that to the decrease of 1.8 per cent under Labor—and with the result of industrial disputes at the lowest level since records were first kept.

With that sort of record you would think that anyone would want to keep the reforms that brought this about, would in fact want to strengthen them and

develop those reforms further. So what do Labor want to do? They want to abolish Australian workplace agreements and abolish the Australian Building and Construction Commission. Okay, after a public outcry they now say they will only abolish the commission over time. There are, of course, different ways to skin a cat. They will now do it from within. They are now saying that they will not delete the name until 2010. But undermine it from within and abolish it they will, make no mistake.

As a Western Australian I have heard all of this before. The parallels are very disconcerting and they should worry the Australian people. In 2001, the Western Australian Labor Party, pushed along by the vested interests of a union movement in decline—a union bureaucracy fighting for relevance with workers and for their survival—ran on exactly that same agenda. They ran on an agenda to abolish individual workplace agreements and—wait for this—on an agenda to abolish the Western Australian construction and building industry taskforce, which was set up by Graham Kierath, the then minister, as a problem solver in the workplace to help protect employers from union intimidation and threats.

Labor in WA back in 2000-01 gave the unions a wink and a nod and said: 'Help us get in. Do what needs to be done to help us win—be quiet and maybe attack us from time to time so we can look tough—and we'll sort it all out in government.' Of course that is exactly what happened. And sort it out for them they did. They delivered on both: they abolished individual workplace agreements and they abolished the construction and building industry task force. The result: union thugs running amok across building and construction sites in Perth. The people of Western Australia would well remember. The people in the remainder of Australia—and I think that is one of our challenges—may not remember, which may in part explain the support for the Howard government's workplace relations reforms in Western Australia. It was a huge issue in Western Australia between 2001 and 2003.

Have a read of some of the stories in the *West Australian* at the time. On 23 February 2001, less than two weeks after the state election, which Labor won, an article entitled 'It's war on Perth's building sites' said:

WAR is being waged on Perth's construction sites. Bosses and workers claim that carloads of up to 30 union heavies at a time have been doing the rounds of sites, closing them and intimidating workers.

At least five sites were visited this week, the latest a West Perth site where access was blocked from 6am yesterday, glue poured into gate locks and construction stopped.

At the non-unionised Bluewater Apartments site in South Perth on Tuesday, workers and project manager Gerry Hanssen said about 20 unionists went on to the site, tore down a flag, erected their own flag and intimidated workers.

Workers at the Bluewater site spoken to by *The West Australian* yesterday said the visit was not made on the grounds of safety or worker representation but intimidation.

... ..

Claims included "no ticket, no start" threats, demands that workers sign union-based pattern enterprise bargaining agreements, using "safety breaches" as an industrial weapon and strike action without consultation with workers.

Despite all that, according to the article Mr Kobelke, the then new relevant Labor state minister:

... confirmed that Labor's pre-election pledge to disband the Construction and Building Industry Taskforce would go ahead.

I believe that even the Gallop Labor government was embarrassed by the extent to which union heavies like Kevin Reynolds and Joe McDonald ran roughshod over non-union workers and employers in WA at the time. They did not quite know how to handle it, what to do about it and how to stop it, but I am sure that they would have been privately embarrassed.

Later, the CFMEU Assistant Secretary, Joe McDonald, told a royal commission that, yes, of course he would shut down a work site just because he found non-union workers there. So much for freedom of association, which of course includes the right not to associate. So much for complying with the law.

Shopfitters at the Floreat Forum redevelopment are reported to have been forced to pay CFMEU memberships for all their workers. They also had to pay for at least one of the CFMEU's safety labourers, whether they were needed or not and whether they turned up or not. Who paid for that at the end of the line? Ultimately, the everyday Western Australian consumer.

Later in 2001, the *West Australian* ran another story titled, 'Building dispute falls on Gallop' and in it Kevin Reynolds is quoted as saying that the CFMEU would hold back affiliation fees owed to the Labor Party until it produced its industrial relations reforms. Of course, it was not long before Kevin Reynolds had to pay up, because the Labor state government had delivered. The government was sitting back while business and workers across WA were threatened and intimidated by unions. Again, on 22 June 2002, the *West Australian* reported how the CFMEU would use fear, intimidation and coercion to get its way. The article read:

A WA building union used fear, intimidation and coercion to get its way, lawyers for the Cole inquiry have submitted....                    ...                    ...

In January, the CFMEU threatened to stop refurbishment work at the WACA Ground to convince workers from a non-unionised demolition company on the site to join its ranks.

The commission counsel said the union had operated in an atmosphere of fear and intimidation in order to compel union membership.

The consequences of continued harassment and intimidation on the site at the WACA could have been devastating for the WACA and WA. Too big a delay to the project might have put at risk WA's hosting of the England Test match in November and its \$10 million spin-off for the WA economy.

Who saved the day? Who fixed up the mess? Have a guess! Tony Abbott, as the then Federal Minister for Workplace Relations and the Howard government, who first set up the Cole Royal Commission into the Building and Construction Industry. Tony Abbott, Kevin Andrews and the Howard government, who ultimately set up the Australian Building and Construction Commission, and Joe Hockey, who is standing up for a strong, fair and flexible workplace relations system—that is what pulled the unions in Western Australia back into line.

I bet that, privately, the Gallop Labor government was relieved when the Australian Building and Construction Commission came onto the scene. Somebody else was there to fix up the mess and to stand up to the union movement, because they could not. All of them, as compulsory members of the union movement, beholden to the vested interests of the union movement, could not do the job. They could not do what was right by the people of Western Australia.

This, of course, brings us to the next federal election. The Australian people need to consider that, at that election, should Labor win, there is nowhere left to hide. With Labor in government coast to coast there would be nowhere to hide when it comes to those sorts of economy-destroying activities. People like Joe McDonald are on the public record in Western Australia as salivating at the prospect of a Rudd Labor victory in a few months time, and allegedly have already used it as a threat on Perth building sites. In the scenario where Labor wins, they—quite possibly with a union-friendly and union-funded greens movement controlling the balance of power in the Senate—will abolish Australian workplace agreements and will, in time, abolish the Australian Building and Construction Commission, which has been so successful in keeping union thuggery in check. It would not only have a devastating effect on the national economy but would put a stake through the heart of the Western Australian resource based economy.

This brings us to the union Labor pantomime. Labor and senior union bosses will play out a little game in front of the Australian people over the next few weeks. In fact, it has already begun. The aim of the game is to make us believe that union hardheads like Kevin Reynolds disagree with Labor on their workplace relations policies. They will try and make us believe that Kevin Rudd and Julia Gillard are standing up to the union movement. Only last week, Kevin Reynolds was quoted in the *West Australian* attacking Julia Gillard. Senators should have a read of page 4 of the *West Australian* last Tuesday. It will make you laugh. Page 4 read:

Upping the ante in his attack on the Federal Labor leadership, Mr Reynolds left hundreds of builders at a public forum stunned when he said that Ms Gillard's relationship with the unionist was just one of many secrets that would be revealed about Labor's inner circle.

Mr Reynolds has made it clear he does not support Labor's leadership team, partly because it would retain the Federal Government's Australian Building and construction Commission at least until 2010.

Why do I know that this is a charade? Why do I know that it is all made up to make us all believe that the Kevin running for PM is standing up to the Kevin who will be running him as PM? Because it is part of a well-used, well-established formula. They have done it before—they have followed exactly the same modus operandi.

Mr President, I take you back to a couple of weeks prior to the 2001 state election in Western Australia and to an article in the *West Australian* of 25 January 2001. Here is what Kevin Reynolds said then:

Controversial union boss Kevin Reynolds yesterday attacked Opposition Leader Geoff Gallop, saying Dr Gallop may not know what to do if he became premier.

'We will see if he is like the dog that captures the car—when he does win he mightn't know what to do with it.'

Sound familiar? Have you heard things like that from Kevin Reynolds since about the current federal Labor leadership team?

Let's go back to history. What happened afterwards in Western Australia? Geoff Gallop and the Labor state government delivered on all of the vested interest demands of the union bureaucracy—lock, stock and barrel. They abolished individual workplace agreements. They abolished the construction and building industry task force, which had been successful in keeping union thuggery in check. They gave no support to employers and non-union workers faced with

appalling union thuggery. Of course, the federal government was forced to step in to save those employers and those workers but, more importantly, the thriving Western Australian economy from being suffocated.

Should Labor win at the next election there will be nowhere to hide when it comes to Labor policies on workplace relations. There will be nowhere to hide when a future Labor government moves to prop up the union bureaucracy ahead of promoting economic growth and development. And, of course, to make absolutely sure an incoming Labor government would do the right thing they are sending all of their top union bureaucrats into this parliament after the next election, even if it means walking all over their comrades. Take former Australian Manufacturing Workers Union National Secretary, Doug Cameron, for example, who is expected to replace Senator Campbell. The former Australian Council of Trade Unions Secretary, Greg Combet, who will replace Comrade Kelly Hoare in Charlton. And there is the Australian Workers Union National Secretary, Bill Shorten—and the list goes on. The union heavies are on their way to take over the Labor side in this parliament, joining the 70 per cent of members of the alternative government who are former union bureaucrats already. They will make sure that a future federal Labor government will do what is required for the union movement.

Mr President, I repeat this message through you to the people of Australia: make no mistake, those top-level union bureaucrats will make sure that an incoming federal Labor government will deliver to the union movement, even if it is to the detriment of your jobs and the ongoing strength of our economy. With coast-to-coast Labor, the opportunity is just too good. The fact is that Labor in Australia has not yet done the hard yards when it comes to reforming its structural relations with the union industry. And it shows. Tony Blair had to do those hard yards before the British people were prepared to give Labor another go in government.

Quite frankly, it is inappropriate and out of date that, by virtue of the Labor Party constitution, unions still have majority control of the Australian Labor Party organisation, controlling its policies and its preselections. It is inappropriate and out of date that Labor members of parliament are forced to join a union. It is absolutely incredible that 70 per cent of the alternative government of Australia are former union bureaucrats.

I often ask people across Western Australia: whose interests do you think an incoming Australian government will be focused on, considering that 70 per cent of its members are former union bureaucrats? When in doubt, when decisions are hanging in the balance between the vested interests of the union movement, which is fighting for its survival, and your interests, and between the vested interests of the union movement and the national interest, where do you think decisions by such an Australian government would go?

I put it to the Australian Labor Party that they have a responsibility to the Australian people to seriously review their structural relationship with the union movement. Until they have done so, it is unsafe for the Australian people to give them their confidence. The Australian people at the next election ought to consider very carefully what is in their interest and what is in the national interest when it comes to voting at the next election. The Howard-led coalition government has not only a strong record but also a plan for the future. The alternative government has 12 years of promises to their union leaders to pay back.