

Queensland Council of Unions

Honorary President: **Rohan Webb** Acting General Secretary: **Michael Clifford**

29 August 2019

Committee Secretary
Senate Education and Employment Committees
PO Box 6100
Parliament House
Canberra ACT 2600

Fair Work Laws Amendment (Proper Use of Worker Benefits) Bill 2019

The Queensland Council of Unions (QCU) is the peak union body in Queensland. The QCU supports the ACTU in its opposition to the *Fair Work Laws Amendment (Proper Use of Worker Benefits) Bill 2019* (PUWB). Along with the *Fair Work (Registered Organisations) Amendment (Ensuring Integrity) Bill 2019* (Ensuring Integrity Bill) it represents a further and sustained attack on unions and workers by the Morrison Government.

The reasons for opposing the PUWB are many but this brief submission focuses on two primary consequences of the Bill. Those consequences are potential impact on training funds and welfare funds. In both cases it is difficult to imagine what the Morrison government hopes to achieve by limiting funds to industry training and organisations such as Mates in Construction (MIC) dedicated to lower rates of suicide among construction workers.

The PUWB proposes onerous registration to make the operation of industry training or welfare funds more difficult. It devises a scheme for the potential replacement of industry training or welfare funds with single employer funds that do not have the same requirements. This level of inconsistency between established industry level funds with union involvement and their proposed single employer counterparts is unfathomable.

If the justification for heavier regulation of funds is an unsatisfactory current level of regulation (which is by no means accepted as being accurate) why would the PUWB not place these same proposed requirements on new and untried single employer funds? There can be no logical explanation for this inconsistency other than that the PUWB seeks to hinder the operation of the existing funds.

The promotion of single employer funds strikes at the heart of effectiveness of funds particularly in the building and construction industry. The need for investment in training is as a direct result of a decline in apprenticeships being taken on by single employers. One of the unintended consequences of enterprise bargaining may well be the demise of industry level discussions concerning training needs. By shifting the focus of negotiations to the enterprise level, employers have become more focused on their own individual outcomes at the expense of consideration for the development of future industry skills. The ideological pursuit of training funds defies any logical or practical objective. The various proposals are obviously ideologically driven.

The PUWB also includes a requirement for independent directors, with veto powers on training or welfare funds. There is no justification for this additional burden. This proposal is like previous proposals concerning industry superannuation funds with a similar lack of justification. Like the Ensuring Integrity Bill, the ostensible justification for the PUWB is the Royal Commission into trade union governance and corruption (TURC). It appeared that there was some concern about workers' organisations and funds contributing to future skills.

The media interviewed construction workers at the time, who were encouraging of the unions' contribution and focus on training for apprentices. Far from seeing the funding of training as a threat (as appeared to be a suggestion arising out of TURC), construction workers saw it as a necessity to ensure that a future generation of Australians were able to fill the skill requirements of the future.

It is also instructive to read the Mates in Construction (MIC) submission that was made when this Bill was last before the Senate in 2017. It is well understood that the rate of suicide amongst construction workers is considerably higher than the rest of the community. This is a worrying and confronting fact that was and is being tackled by the type of funding that the PUWB has the potential to hinder.

The requirement that worker benefit funds income can only be applied for training and welfare purposes if payment is made on commercial terms will mean a reduction in the service offered by MIC. The 2017 MIC submission provides a conservative estimate that between the commencement of MIC in 2008 and the submission in 2017, 30 lives had been saved by services that MIC provides. Put simply the PUWB puts lives at risk. In Queensland PUWB's passage through the Senate would result in a 40 per cent reduction in staff and services. In South Australia it would mean the closure of MIC.

The PUWB needs to be read in conjunction with the Ensuring Integrity Bill which seeks to interfere in the democratic operation of unions. The Ensuring Integrity Bill would allow various parties to have unions deregistered, amalgamations prevented, and officials disqualified for breaches of designated laws and designated findings pertaining to those laws. Presumably the unnecessary regulation associated with the PUWB would contribute to laws, the most trivial breach of which would be able to be used to deny workers their democratic rights of electing the person of their choosing to lead their union.

One particular provision included in the PUWB that appears to have the consequence of seeking sanctions is the requirement to disclose certain arrangements even before they are entered into or agreed to by an employer and for those arrangements to be posted on the Registered Organisations Commission website.

The requirement to start posting concepts that may or may not occur is akin to the Orwellian concept of thought police. Such an unnecessary and onerous obligation also has penalties associated with non-compliance and read in conjunction with the Ensuring Integrity Bill provides industrial combatants and political enemies with yet another stick with which to attack unions and union leaders.

Yours sincerely

Michael Clifford
Acting General Secretary
Queensland Council of Unions