

## Second Reading

**The Hon. PENNY SHARPE** (Parliamentary Secretary) [6.10 p.m.], on behalf of the Hon. John Robertson: I move:

That this bill be now read a second time.

The amendments to the Industrial Relations Advisory Council Bill 2010 include appointing to the advisory council an extra representative from the Master Builders Association of New South Wales and, to balance that, an extra union representative. That amendment will necessarily require an increase in the number constituting a quorum. The bill as originally drafted did not seek to put individual representatives of a particular industry on the council, and that is a justifiable position. The bill was logically drafted in that way and is very close to the South Australian model.

However, the Master Builders Association approached the Government with an argument that it should be represented on the advisory council. It made some legitimate points: that the building and construction industry is now the third largest employer throughout Australia; that the Master Builders Association represents all sectors of that industry, with almost 9,000 members in New South Wales and 31,000 members from the various associations across the country; that the majority of the works of the New South Wales Government are tendered for and undertaken by members of that association; and that the Master Builders Association is nominated by the Commonwealth on the national council. Those are cogent arguments for amending the bill to include a representative on the council from the Master Builders Association and the Government is happy to accede to that request. I seek leave to have the remainder of the second reading speech incorporated in *Hansard*.

### Leave granted.

The Industrial Relations Advisory Council Bill 2010 establishes a new industrial relations body in New South Wales—the Industrial Relations Advisory Council.

First and foremost, the purpose of the council is to provide, in the public interest, a regular and organised means by which representatives of the government of New South Wales, of employers and of employees and, when the Minister considers it appropriate, representatives of other persons, bodies and organisations may consult on industrial relations matters of statewide concern. That is particularly important in the context of the national industrial relations system in which all private sector employers and employees now operate. That national system is fundamentally a cooperative system run by the Commonwealth and the referring States and Territories.

The Fair Work Act lays down the fundamental principles of the national system, and an intergovernmental agreement and the Workplace Relations Ministers Council provide the consultation and cooperation to make the system work in the manner intended. Consultation and cooperation, in turn, rely on information. That is where the consultative council proposed in this bill has work to do. The council is particularly designed to provide a forum for employees and their unions, employers and other bodies to discuss industrial relations issues of concern, especially as they relate to the implementation and operation of the national industrial relations system at a State level.

For example, it is expected that the council will provide an ideal opportunity for peak industrial stakeholders in New South Wales to provide feedback to the Minister on important matters that may be deliberated on from time to time by Fair Work Australia in the national system. Such matters would include, but by no means would be limited to, equal remuneration and national wage cases. In this way, the council will provide an important forum for identifying and discussing issues that have been raised by the new national system and provide the Minister with important background information to pursue those issues either in the Workplace Relations Ministers Council or directly with the Commonwealth and other States.

It is important to remember that late last year when the New South Wales Government decided to refer its powers to the Commonwealth, it did so only on the basis of adherence to certain fundamental workplace relations principles. Both the Commonwealth Fair Work Act and the New South Wales Industrial Relations (Commonwealth Powers) Act contain seven elementary principles. These include that the new national industrial relations system provides and continues to provide for a strong, simple and enforceable safety net of minimum employment standards; genuine rights and responsibilities to ensure fairness, choice and representation at work, including the freedom to choose whether or not to join and be represented by a union or participate in collective activities; collective bargaining at the enterprise level with no provision for individual statutory agreements; fair and effective remedies available through an independent umpire; and protection from unfair dismissal.

Further, there should be and continue to be in connection with the operation of the Fair Work Act an independent tribunal system and an independent authority that is able to assist employers and employees within a national workplace relations system. These principles are the benchmark for ensuring that the Fair Work Act develops in a fair and decent manner, as intended by New South Wales and the other referring governments.

It is expected that the formation of the Industrial Relations Advisory Council will provide all its members with an appropriate forum to ensure all workplace relations principles are being met by the new system. The council will be composed of 17 members. Its members will be appointed by the Minister for a period of up to three years, but they may be nominated for further terms. There are also the usual provisions for resignation, termination of appointment and

representation by a substitute member. This will include the capacity for the Minister to be represented by another member of the council. Under the terms of this bill, the council must meet at least twice a year. But, if necessary, the Minister will be able to call on additional meetings. The Minister will chair the council, which will be made up of senior public servants, representatives from Unions NSW, peak employer bodies and legal professional associations.

As well as monitoring the new national industrial relations system, the council will be an important focal point for making and implementing industrial relations policy in New South Wales. The intent is that the council will assist the Minister and the New South Wales Government in formulating industrial relations policy and then act as a source of direct information about the implementation of that policy. Obviously, that means that legislation that the New South Wales Government is intending to pass to give effect to those policies will be high on the list of items for the council's consideration. I commend the bill to the House.