


First Reading

 **Hon. PT LUCAS** (Lytton—ALP) (Attorney General, Minister for Local Government and Special Minister of State) (12.24 pm): I move—

~~That the bill be now read a first time.~~

~~Question put—That the bill be now read a first time.~~


~~Motion agreed to.~~

~~Bill read a first time.~~

~~**Mr DEPUTY SPEAKER** (Mr Wendt): In accordance with standing order 131, the bill is now referred to the Transport, Local Government and Infrastructure Committee.~~

SOUTH-EAST QUEENSLAND WATER (DISTRIBUTION AND RETAIL RESTRUCTURING) AND OTHER LEGISLATION AMENDMENT BILL

Introduction and Referral to the Environment, Agriculture, Resources and Energy Committee

 **Hon. S ROBERTSON** (Stretton—ALP) (Minister for Energy and Water Utilities) (12.24 pm): I present a bill for an act to amend the South-East Queensland Water (Distribution and Retail Restructuring) Act 2009, the Energy and Water Ombudsman Act 2006, the Plumbing and Drainage Act 2002, the Queensland Competition Authority Act 1997, the Queensland Competition Authority Regulation 2007, the Water Act 2000 and the Water Supply (Safety and Reliability) Act 2008 for particular purposes. I table the bill and the explanatory notes. I nominate the Environment, Agriculture, Resources and Energy Committee to consider the bill.

Tabled paper: South-East Queensland Water (Distribution and Retail Restructuring) and Other Legislation Amendment Bill 2011.

Tabled paper: South-East Queensland Water (Distribution and Retail Restructuring) and Other Legislation Amendment Bill 2011, explanatory notes.

On 7 April 2011, the Queensland government took steps to end the water blame game in South-East Queensland that has been played out strongly and often quite unfairly in the media over the past 12 months. Two key actions were announced to address community concerns about high water prices and councils' lack of accountability in the operation of their council owned distributor-retailers.

Firstly, a price cap would be imposed on the annual distribution and retail water and wastewater—sewage only, excluding trade waste and recycled water—prices for households and small businesses from 1 July 2011 until 30 June 2013. The Fairer Water Prices for SEQ Amendment Act 2011 has delivered the CPI price cap, providing much needed relief to South-East Queensland residents.

Secondly, South-East Queensland councils were given a once-only opportunity to withdraw from their distributor-retailer and re-establish a wholly council controlled, owned and operated water business by 1 July 2012. The participating councils of Allconnex Water—the Gold Coast City Council, Logan City Council and Redland City Council—have opted to take back their water businesses. It should be noted that the state government did not force this decision upon councils. Ultimately, this decision came about because the Gold Coast City Council voted—not once but twice—to opt out and establish its own water business. It was the actions of the Gold Coast City Council that then led the Logan and Redland councils to also withdraw from Allconnex. Those councils are duly elected and charged with representing the interests of their communities. Therefore, the state government accepts the decisions of those three councils. Now it is time to get on with the job, to provide some certainty to the residents of those communities, which brings us to the introduction of this bill.

The draft bill accompanying this submission provides for the transition of those water businesses back to councils. The three councils certainly have a challenge ahead—more so the Gold Coast City Council, which is required to pay the consequential costs of Logan and Redland city councils to also withdraw from Allconnex. The Gold Coast City Council has appropriately agreed to bear the consequential costs incurred by the Redland City Council or the Logan City Council in the dissolution of Allconnex and the re-establishment of council specific water businesses. Further, if agreement cannot be reached, the bill provides for referral to independent arbitration.

The intent of the bill is to provide for the automatic re-establishment of council water and wastewater business units from 1 July 2012, with the powers and responsibilities as: commercialised business units under the Local Government Act 2009 and the Local Government (Beneficial Enterprises and Business Activities) Regulation 2010; and water and sewerage service providers under the Water Supply (Safety and Reliability) Act 2008.

However, as those council business units will continue to operate as South-East Queensland water grid participants within the South-East Queensland water market, some provisions currently

applying to distributor-retailers will continue to be applied; for example, provisions relating to effective regional planning, management of assets, minimum information to be provided on customer bills and customer protection measures such as access to the Energy and Water Ombudsman Queensland.

The council run water businesses, like the remaining distributor-retailers, will remain subject to the Queensland Competition Authority's price-monitoring role. The QCA will seek submissions from the businesses and will publish a report of their activities, highlighting where efficiencies have been made and should be made.

The bill contains three principles to deal with the allocation of assets. These are: a council will receive back the assets it contributed to Allconnex, unless all of the councils agree otherwise; assets attached to land will go back to the council where the land is located; and assets and liabilities other than land or those attached to land which were created by Allconnex—that is, co-mingled assets and liabilities—will be dealt with by the councils themselves under their agreed transfer schemes. The transfer scheme process involves the councils and Allconnex certifying that assets and liabilities have been identified and can be transferred.

A customer of Allconnex will become a customer of the council where the customer is a resident. A small customer will still have access to the dispute resolution scheme of the Energy and Water Ombudsman Queensland. A critical outcome of the legislation will be the making of a new workforce framework to provide for the transition of staff from Allconnex to the council water businesses. The development of the framework has commenced, with the Department of Justice and Attorney-General taking a strong facilitatory role in the negotiations between councils and unions.

019 The bill provides for a retrospective commencement date for the framework. That is, the minister, on the advice of the industrial relations minister, can approve the framework to commence on a date earlier than the commencement of the bill. Even without the legislation in place, commitments can and must be made. I am pleased to advise all parties have agreed that a framework must be agreed by mid-December this year.

There are other proposed amendments that address the activities of the remaining distributor-retailer. The bill recognises that councils are responsible and accountable to their community for water and wastewater pricing. The Fairer Water Prices for SEQ Amendment Act 2011 requires councils to have price mitigation plans and quantifiable price paths in place. A council owner of a distributor-retailer has the power to reduce prices to some or all of its residents. However, such a decision could have a business impact on the operations of their distributor-retailer or the other council owners of the distributor-retailer.

The bill provides for a regulation to be made to set out a process to make a financial adjustment if such a decision has a detrimental impact on another council. The regulation will be developed in close consultation with the councils and the distributor-retailers. Again, this regulation will ensure transparency and accountability in prices.

The bill also proposes changes to enable a participating local government to select councillors to be members of a distributor-retailer's board for Unitywater and Queensland Urban Utilities. A councillor will be able to bring their council experiences and community issues to the board. The intent is that councils will have more immediate access to and involvement in the distributor-retailer's strategic decision making and a better understanding of its day-to-day operational issues.

The board must also have at least three independent members. Councillors will not be permitted to be the chairperson of the board of their distributor-retailer and the distributor-retailer will be prohibited from paying a councillor to participate as a board member. However, if a council wishes to appoint councillors to the distributor-retailer board and remunerate them in addition to their normal councillor salary, the council may do so.

Most importantly, councillors will be subject to the same duties as other independent board members. The councillor must, in making any board decision, consider the whole interest of the distributor-retailer. If a decision is in the best interests of the distributor-retailer, a councillor should resolve this issue in favour of the distributor-retailer's interest, just as they currently do in respect to their representation of their council division while serving in the interest of the council region as a whole.

The consideration of the bill and its key provisions is only the first step. There is a lot of work to be done before 1 July 2012. I now pass the bill to the appropriate parliamentary committee.

First Reading

Hon. S ROBERTSON (Stretton—ALP) (Minister for Energy and Water Utilities) (12.31 pm): I move—

That the bill be now read a first time.

Question put—That the bill be now read a first time.


Motion agreed to.

Bill read a first time.

Mr DEPUTY SPEAKER (Mr Wendt): Order! In accordance with standing order 131, the bill is now referred to the Environment, Agricultural, Resources and Energy Committee.

~~VOCATIONAL EDUCATION AND TRAINING (COMMONWEALTH POWERS) AND OTHER ACTS AMENDMENT BILL~~

~~Introduction and Referral to the Industry, Education, Training and Industrial Relations Committee~~

 **Hon. SJ HINCHLIFFE** (Stafford—ALP) (Minister for Employment, Skills and Mining) (12.32 pm): I present a bill for an act to adopt the National Vocational Education and Training Regulator Act 2011 (Cwlth) and the National Vocational Education and Training Regulator (Transitional Provisions) Act (Cwlth), and to refer certain matters relating to the regulation of vocational education and training to the Parliament of the Commonwealth, for the purposes of section 51 (xxxvii) of the Commonwealth Constitution, and to make amendments to the Building Act 1975, the Gaming Machine Act 1991, the Liquor Act 1992 and the Vocational Education, Training and Employment Act 2000, for particular purposes, and consequential amendments to the acts mentioned in the schedule. I table the bill and the explanatory notes. I nominate the Industry, Education, Training and Industrial Relations Committee to consider the bill.

Tabled paper: Vocational Education and Training (Commonwealth Powers) and Other Acts Amendment Bill 2011.

Tabled paper: Vocational Education and Training (Commonwealth Powers) and Other Acts Amendment Bill 2011, explanatory notes

I am pleased to introduce to the House the Vocational Education and Training (Commonwealth Powers) and Other Acts Amendment Bill 2011. The introduction of this bill initiates a major reform of the vocational education and training sector—the VET sector—in Queensland, which will have a significant impact for students, employers and industry. The bill will refer legislative power to regulate registered training organisations—RTOs—and VET courses to the Commonwealth parliament. The bill will also abolish the Training and Employment Recognition Council—TERC—and transfer its remaining functions to Skills Queensland.

In December 2009, the Council of Australian Governments—COAG—agreed on national reforms to the regulation of vocational education and training. Reforms agreed to included the establishment of a national VET regulator responsible for the registration and regulation of registered training organisations and accreditation of VET courses and a national skills standards council to provide advice to the Ministerial Council for Tertiary Education and Employment about the development of national standards for VET. To date, all states except for Victoria and Western Australia have agreed to this reform. The passage of this bill will enshrine Queensland's commitment to the new national regulator, the Australian Skills Quality Authority—ASQA.

Currently, TERC regulates the provision of VET by RTOs in Queensland. TERC is responsible for over 1,500 RTOs delivering training in Queensland and other states. Upon commencement of the referral, regulation of RTOs and VET courses will be performed by ASQA. Referral of powers to the Commonwealth is not a decision that this government has taken lightly. Queensland has a very high standard of regulation which other states can only aspire to.

Under the previous system of state regulation a training provider could register in one state and then be able to provide training in other states. Whilst this gave training providers the ability to operate in any jurisdiction, the system lacked consistency in the enforcement of training standards. For example, Queensland has limited capacity to take action against RTOs registered in other states that breach registration standards when delivering training in Queensland. The establishment of a national regulator will ensure that this can no longer occur. All RTOs that operate in Queensland will be registered with ASQA. If an RTO in Queensland fails to comply with the standards, ASQA will be able to take action against that RTO.

The establishment of ASQA will also improve confidence in the VET sector generally. As the national regulator, ASQA will be able to ensure that standards are applied consistently across the country. ASQA will also be able to quickly respond to emerging issues that affect the VET sector across Australia. The referral of power to a single national regulator will reduce the number of regulators thus contributing to this government's policy to reduce the regulatory burden on local businesses.

The New South Wales parliament referred power in November 2010. The Queensland government believes the benefits to students, employers and industry from a strong national regulator of VET outweigh concerns voiced by Western Australia and Victoria. Our government supports this significant reform of the VET sector.