



TORRES STRAIT ISLAND REGIONAL COUNCIL

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Research Director
Finance and Administration Committee
Parliament House
George Street
BRISBANE QLD 4000

Dear Committee members,

TORRES STRAIT ISLAND REGIONAL COUNCIL – SUBMISSION TO THE INDUSTRIAL RELATIONS (RESTORING FAIRNESS) AND OTHER LEGISLATION AMENDMENT BILL 2015

The Torres Strait Island Regional Council ("Council") thanks you for the opportunity to make submission on the tabling of the *Industrial Relations (Restoring Fairness) and Other Legislation Amendment Bill 2015* ("the Bill"), tabled by the Hon. Curtis Pitt MP on 7 May 2015.

By way of important background, Council was formed on 14 March 2008 following the amalgamation of 15 separate Island Community Councils in the Torres Strait, between the tip of Cape York and Western Province of Papua New Guinea. Those former Island Community Councils now comprise 15 unique Divisions over 14 Islands of the Torres Strait Island Regional Council electorate, represented by 15 Councillors and a Mayor, employing 337 staff. Council is one of the four Local Governments referred to in the Hon. Curtis Pitt MP's second reading speech delivered to the House of Representatives on 7 May 2015, who have successfully achieved certification through the Queensland Industrial Relations Commission ("QIRC") of a Certified Agreement under the *Industrial Relations Act 1999* (Qld) ("the Act"). Council has not registered any concern with the *Local Government Industry Award 2014* ("the Modern Award").

Council's first ever Certified Agreement was certified by Industrial Commissioner Knight of the QIRC on 5 February 2015 (reference 2015/CA00001) ("the Certified Agreement"). The nominal expiry date of the Certified Agreement is 30 June 2017. The Certified Agreement is available for download from the QIRC website at: -

http://www.qirc.qld.gov.au/qirc/resources/pdf/certified_agreements/cert_agreements/2015/ca1_2015.pdf

The Certified Agreement was a negotiated Collective Agreement between Council and 337 Local Government employees, respondent to the Modern Award. Out of 337 employees over 15 communities on 15 islands in the electorate, on Thursday Island and on mainland Australia, over 19 offices, Council received votes at Ballot from 288 employees (85.46% of the workforce), with 280 of those employees voting in support of the Certified Agreement (98.25% of valid votes in favour, 5 votes against (1.75%) and 3 invalid votes). This outcome was a remarkable result, testament to a respectful and inclusive bargaining process between Council representatives and the democratically elected Single Bargaining Unit, comprising 17 employee representatives. Council representatives and the Single Bargaining Unit together regularly

engaged with wider staff by way of regular updates in multiple languages to ensure maximum understanding of the terms of negotiation and progress. After many years of unrest in the industrial relations arena, both staff and Council have now together achieved a sense of certainty, founded on trust and common understanding that Council's greatest assets are its staff. Rapport has improved immeasurably and Council is finally on its journey to becoming an employer of choice; a principle objective in its Corporate Plan 2014 – 2019.

In turbulent and uncertain financial times (as all levels of Government have experienced and navigated over the past many years since the global financial crisis and subsequent downturn in the local, national and international economies), any certainty that can be achieved is greatly accepted and assists those entities in turn providing greater certainty to its workforce who in turn are more motivated to proactively serve the public. Council has already begun transitioning fixed term contract staff to permanency under the Certified Agreement. Council, like many other Queensland Local Governments, has in the past been through forced redundancies where staff morale hit an all-time low; a prospect that up until introduction of the Bill seemed but a distant memory.

Council principally takes issue with the Bill's intent to remove mandatory consideration by the QIRC of an employer's financial position when determining wages and employment conditions, and a clear intent by the Government of the day to utilise new powers under Part 20, Divisions 2 and 3 of the Bill to give notice to the QIRC to review and vary the Modern Award (albeit agreement by the QIRC to do so would be a perverse outcome given such Modern Award was only endorsed by QIRC last year, a decision which would undoubtedly undermine the very integrity of the QIRC in making such decision). Such may result in an increased number of Modern Awards applicable to an organisation with industry breadth such as Local Government, and the requirement for Local Government to once again return to the negotiating table with staff within three (3) months of such variation being announced by the QIRC (s847(2)(a)). The net outcome, as occurred with the introduction of the Modern Award in 2014 absent appropriate advance notice to the Local Government Industry by the QIRC and/or Government, is a total inability for Local Government to budget in accordance with the *Local Government Act 2009* (Qld) for unforeseen financial implications by introduction and/or variation of Modern Awards midway into financial years, and a lack of commitment by Government to support implementation through increased funding to Local Government to allow for increases in human resource costs. A lack of appropriate planning will inevitably result in recommencement of a cycle of redundancies to meet rising costs, lower service delivery due to less staff and disgruntled staff, less availability of jobs and a spike in WHS absences and claims for stress.

In reviewing the Bill, Government and the Committee must seek to surrender political partisanship, and objectively consider the real costs to those employer organisations likely to be affected by the proposed legislative changes. Although Council takes no issue in principle to the Government's intent of 'restoring fairness' to employees, it is considered harsh, unjust and unreasonable to impose further financial strain on the Local Government Industry at this present time who through the Government's own omission, is presently doing it tough. Publically available year on year Annual Reports are testament to this fact.

It is principally submitted by Council that proposed section 847 be omitted from the Bill and that employer organisations that have Certified Agreements in place and are respondent to current pre-variation Modern Awards, continue to apply the nominal date of expiry as certified by the QIRC, with varied Modern Awards only to apply upon expiry thereafter. It is submitted that as the maximum term of Certified Agreements is sufficiently restricted by the Act, there is little scope for abuse by employer organisations and instead provides sufficient time for them to recalibrate their financial and operational affairs for informed change.

Council hereby also registers its intention to make submission to the QIRC under proposed section 844(3) of the Bill in the event notice is provided by Government to the QIRC to vary the Modern Award.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Dahwang', is written over the typed name.

Dania Ahwang

Chief Executive Officer