



Speech by

Hon. Kevin Lingard

MEMBER FOR BEAUDESERT

Hansard Tuesday, 13 November 2007

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

Hon. KR LINGARD (Beaudesert—NPA) (3.44 pm): The bills certainly invite a wide debate. However, I will concentrate on the effects of amalgamations and the takeover of water assets on local council personnel, especially the personnel in my area. I hope that both ministers show a little more understanding of the effect that some of the legislation is having directly on personnel.

The government set out to create strong viable councils. In the area of Beaudesert, 40,000 people are now covered by the Logan council. We have an extremely strong council at the Gold Coast, we have an extremely strong council at Logan and we have an extremely strong council at Ipswich. However, to the south the councils of Beaudesert and Boonah have been combined to make the Scenic Rim. Beaudesert has lost 40,000 people who live in strong urban areas such as Park Ridge, which is now included in the council of Logan, and gained 10,000 people from the Boonah shire, making a net loss of 30,000 people. As a result, difficulties have arisen for council personnel, whom I wish to concentrate on.

Logan council will not lose any of its own personnel. It is a stronger council with more people to represent. Logan council personnel have been guaranteed that they will not lose their jobs. The personnel of Boonah have been told that as they have too far to go to Logan and so on, their jobs have also been guaranteed. However, sitting in the middle is a split council. It is not the amalgamated council of Beaudesert. It is what we are referring to as a split council. I do not believe that the government appreciates the effect on the staff of that council, nor is it moving quickly enough to solve their problems.

With regard to the amalgamation process and the bills before the House, as well as the unique treatment of Beaudesert shire, I have asked the government whether it can assure staff at Beaudesert that no-one will be disadvantaged. I know that most people in the chamber are thinking that the government has guaranteed jobs for three years. Let us look at how—

Mr HINCHLIFFE: I rise to a point of order. I am not entirely sure whether the member for Beaudesert is addressing the bill before the House, Mr Deputy Speaker.

Mr DEPUTY SPEAKER: I think the member for Stafford has a point. I have been listening to the first couple of minutes of the speech. I have given the member a bit of leeway. This bill is not about council amalgamations. Later in the week members will have a chance to debate that issue. This is about water assets. I ask the member to return to the provisions of the bill before the House.

Mr LINGARD: I agree. I am saying that the move to take over water assets is going to affect the personnel who are involved in the provision of water assets within the shire councils. One has to accept that. To give an example, let us look at what is happening now. Let us say a person is earning \$80,000 for an executive-type job. The government has guaranteed him that job for the next 12 months, and he appreciates that. However, in the second year, especially in a split council such as Beaudesert, his salary may drop to \$30,000 a year. In the third year his salary may drop again to \$30,000. The government has guaranteed him the job, but has not guaranteed him his pay or his redundancy pay. In areas such as Beaudesert, because of this water assets legislation personnel will lose their jobs. They are holding meetings about this.

We are worried about what the government will guarantee in terms of remuneration. What will the government guarantee as far as accumulation plans are concerned? Under these processes, will staff be treated unfairly? As the water assets are taken over by the government, will the people who work in those water asset programs lose their jobs, as has happened in the amalgamation process? If there is a risk of redundancy entitlements being triggered as a consequence of these water programs and water reforms, surely the only way that those risks can be mitigated is for the government to provide councils with an indemnity for any such costs and related costs incurred as a consequence of the implementation of the water reforms.

It is that process now and in the future that I am asking the minister to outline as far as this particular program is concerned. Some of the personnel who work in these water asset programs have obviously received advice that the transfer of council employees to state entities does entitle employees to a payout of accrued entitlements under federal law. They have already been told that employees are unlikely to be entitled to severance or redundancy payouts as a result of the transfers where it is to the same role in the same location where an employee's industrial instrument does not define the term 'redundancy'. So what happens then?

If it is that these water assets are taken over by the government, if it is that a similar process occurs in the amalgamation process, what is the minister's guarantee to these personnel? If employees are transferred and their duties significantly changed under this legislation and/or the employee is relocated to a different workplace, what redundancy is going to be triggered? It may be possible, with agreement from the employee, to have entitlements transferred and recognised by the new employer. However, this does not displace the requirement for councils to comply with their obligation to pay out accrued entitlements.

A government member: Yes, it will.

Mr LINGARD: That is the legal advice from the Solicitor-General. We can argue about the legislation in terms of what will happen, but what is the government doing to ensure that when these assets are taken over by the government these people affected are going to receive their redundancy payouts? I understand that some discussions have been held with councils, with government and CEOs of the new bulk water businesses about the possibility of effecting the transition of employees to these entities on or from 1 January. The difficulty is that CEOs are asked to provide a list of employees in the direct positions which have been defined—that is, those positions that can be identified as being wholly dedicated to a bulk water function, and that is a water treatment plant operator. But the identification of indirect positions is also requested—that is, where an employee is employed by an existing water business. So I am asking the minister: what is going to happen in these particular situations?

What has happened with the amalgamation process is that the Beaudesert Shire Council clearly cannot pay out those people who are leaving the shire, and they are leaving the shire in droves because they have not been guaranteed positions in the future. This is something that we probably did not think about in the amalgamation process, especially with split councils—that is, those that are not being amalgamated in their entirety but which have parts amalgamating with different councils. It is affecting the Beaudesert Shire Council because it has not got the money to pay out the redundancies and at this stage it is not getting funding from the state government because the state government does not believe that it is viable. Clearly this is going to happen with the transfer of water assets to the government.

Obviously there is an ongoing concern with respect to employees in councils that may be cross-subsidised by income from water businesses. Surely the state government must have considered the impact on other council services if it removes the water businesses, given the assumptions that councils put profits from water into other parts of the councils and therefore staff outside of the water part of the business would be affected. There is also ongoing concern that the framework only relates to bulk water entities and not distribution and retail entities. The Council of Mayors of SEQ has continued to maintain that the framework can only cover bulk water entities as there are still too many uncertainties in relation to distribution and retail entities.

The government needs to outline that, based on the legal advice indicating that councils are obligated to pay out transitioning employees' entitlements, there has been lengthy discussion on other options that could occur, such as transfer of funding for entitlements from the old employer to the new employer or payment of an incentive equalling the cost of tax on the entitlements and issues related to options—that is, legal penalties and the ongoing liability of councils for employee entitlements.

So what I am saying to the minister is that one of the effects of amalgamation has been the problem with employees in split councils such as Beaudesert. There has not been a true guarantee of jobs for three years. They have their job for 12 months and then they can go on to another sort of job at a lower pay for two or three years. And, if they leave, what is the redundancy payout? Is it the payout on their first year or is it the payout on their second and third years? If people have to leave councils because of the takeover of these water assets, what is the guarantee for those personnel who are going to lose their jobs? Has there been any guarantee by the minister for local government, because there certainly has not been if we look at the effect it is having on split councils such as the Beaudesert Shire Council?