



Speech by


Hon. Mark McArdle

MEMBER FOR CALOUNDRA

Hansard Tuesday, 19 June 2012

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

Introduction

 **Hon. MF McArdle** (Caloundra—LNP) (Minister for Energy and Water Supply) (2.42 pm): I present a bill for an act to amend the South-East Queensland Water (Distribution and Retail Restructuring) Act 2009 for particular purposes. I table the bill and the explanatory notes. I nominate the State Development, Infrastructure and Industry Committee to consider the bill.

Tabled paper: South-East Queensland Water (Distribution and Retail Restructuring) Amendment Bill [\[351\]](#).

Tabled paper: South-East Queensland Water (Distribution and Retail Restructuring) Amendment Bill, explanatory notes [\[352\]](#).

The South-East Queensland Water (Distribution Retail and Restructuring) Amendment Bill 2012 removes the special industrial relations measures—in particular, the workforce frameworks—that were mandated by the former government. These mandatory frameworks apply to council employees who transferred to the South-East Queensland distributor-retailers and for those Allconnex Water employees transferring back to the Gold Coast, Logan and Redland City councils. The removal of the two workforce frameworks will enable the water businesses to manage their workforces in the same way as any other organisation.

On 1 July 2010, the then Queensland government created new council owned businesses—distributor-retailers—in SEQ to own and operate the distribution networks and sewage treatment plants and deliver water and wastewater services to households and businesses within South-East Queensland. The distributor-retailers are Unitywater, owned by Sunshine Coast Regional Council and Moreton Bay Regional Council; Queensland Urban Utilities, owned by Brisbane City Council, Ipswich City Council, Scenic Rim Regional Council, Lockyer Valley Regional Council and Somerset Regional Council; and Allconnex, owned by Gold Coast City Council, Logan City Council and Redland City Council.

In addition to establishing the three distributor-retailers, the SEQ Water (Distribution and Retail Restructuring) Act 2009 transferred assets, liabilities and employees to the distributor-retailers. The act also provided for certain industrial protections for the transferring staff by putting in place the ability to make a Staff Support Framework—that is, the 2009 Workforce Framework. The 2009 Workforce Framework applies to staff transferred from councils to the three distributor-retailers—Queensland Urban Utilities, Unitywater and Allconnex.

In August 2011, the three participating councils of Allconnex—Gold Coast, Logan and Redland—decided to withdraw from Allconnex and re-establish council owned and operated water businesses. Earlier this year, amendments to the act provided for the dissolution of Allconnex and the re-establishment of the council water businesses to be operational from 1 July 2012. These amendments provided for the transfer of assets, liabilities and employees from Allconnex to the three council water businesses.

As was the case for the transfer of council employees in the original water reform process, the act provided for certain industrial protections for staff transferring from Allconnex back to councils. The act put in place the ability for the relevant minister to make a Retransfer Staff Support Framework—the 2012 Workforce Framework. The 2012 Workforce Framework was approved by the then minister on 17 February 2012 to have retrospective effect and commence on 16 December 2011. The 2012 Workforce Framework expires on 30 June 2015 or three years from when an affected employee transfers to a relevant council.

These frameworks imposed measures that exceeded the ordinary industrial relations regime that generally would have applied to council employees. The frameworks, among other things, imposed lengthy job security obligations, additional moving and travelling allowances and salary maintenance. These measures placed upon the water businesses represent an unnecessary cost to business which ultimately is passed on to household water bills. Removal of these frameworks will give the water businesses greater flexibility in managing their staff and ultimately lower staffing costs. More importantly, it rightly makes the employer the decision maker in its business affairs.

Ultimately it will remain up to councils as to how they use the flexibility given back to them under this bill. In particular, the bill proposes to terminate the operation of the 2009 Workforce Framework at the end of 30 June 2012 which currently applies to Queensland Urban Utilities and Unitywater; to revoke the 2012 Workforce Framework coming into effect in relation to employees transferring from Allconnex back to the withdrawn councils of Gold Coast, Logan and Redland; and deeming provisions to ensure the Local Government (Operations) Regulation 2010 operates as intended so that staff of Allconnex will transfer back to the withdrawn councils with their long service leave entitlements preserved.

I stress that, while the former state government's mandated 2009 and 2012 frameworks are being removed, employees still have the protection of the enterprise bargaining arrangements. Unions and employees of Queensland Urban Utilities had their enterprise bargaining agreement negotiated and certified late last year. The Queensland Urban Utilities enterprise bargaining agreement provides for no forced redundancies in Queensland Urban Utilities until 30 June 2013. This ultimately provides the same protection against forced redundancies contained in the 2009 Workforce Framework, which is repealed by this bill.

Unitywater's enterprise bargaining agreement was certified early this year. However, the agreement does not provide for no forced redundancies as these provisions were contained in the 2009 Workforce Framework. The removal of the 2009 Workforce Framework will provide Unitywater with an opportunity to reconsider its enterprise bargaining agreement in light of the removal of the framework.

Allconnex employees in the Gold Coast, Logan and Redland areas are currently covered by relevant council enterprise bargaining agreements. After their transfer back to the councils, they will be covered by the enterprise bargaining agreement for the council where they work or by their contracts if the enterprise bargaining agreement does not apply. Employees being transferred from Allconnex also have a level of protection as all of the relevant council enterprise bargaining agreements seek to ensure that redundancy is a measure of last resort, exhausting other methods such as retraining, redeployment and voluntary separation payments.

The government is committed to good-faith bargaining, and these measures place industrial relations back on a level playing field with any business developing an enterprise bargaining agreement in consultation with employees and unions. The government has shown how determined we are to get the state back on track. We believe it is possible to properly reward staff through enterprise bargaining while also ensuring financial sustainability for these water service providers. The South-East Queensland Water (Distribution and Retail Restructuring) Amendment Bill 2012 proposes to terminate the 2009 workforce framework at 30 June 2012, 12 months earlier than planned, and effectively deem the 2012 workforce framework, which was approved on 18 February 2012 by the previous government, not to have ever been in effect.

The government has committed to handing back control to councils. The removal of these frameworks will enable the council owners to strategically plan and grow their water business to meet customer needs, and one customer need in particular is price relief. Queenslanders are facing increasing costs of living and family budgets are under severe strain. The government is committed to easing the cost of living for families. The government has already announced the merger of the bulk-water entities to reduce cost of supply. This action is only one part of the broader work program being undertaken to assess and deliver least-cost water services to customers. The removal of the workforce frameworks is another step in the government's planned approach to let the water businesses focus on customer service delivery and customer bills. The government wants to work with councils in a joint effort to reduce household water bills. For example, I have been advised that it is estimated that Unitywater would make a proposed saving of \$2.8 million as a result of the removal of the 2009 workforce framework by not having to pay those costs for the 2012-13 financial year. I commend this bill to the House.

First Reading



Hon. MF McARDLE (Caloundra—LNP) (Minister for Energy and Water Supply) (2.51 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.

Referral to the State Development, Infrastructure and Industry Committee

Madam DEPUTY SPEAKER (Mrs Cunningham): Order! In accordance with standing order 131, the bill is now referred to the State Development, Infrastructure and Industry Committee.

Portfolio Committee, Reporting Date



Hon. MF McARDLE (Caloundra—LNP) (Minister for Energy and Water Supply) (2.51 pm), by leave, without notice: I move—

That under the provisions of standing order 136, the State Development, Infrastructure and Industry Committee report to the House on the South-East Queensland Water (Distribution and Retail Restructuring) Amendment Bill 2012 by Monday, 2 July 2012.

Question put—That the motion be agreed to.

Motion agreed to.