FINANCE AND ADMINISTRATION COMMITTEE

Members present:
Ms DE Farmer MP (Chair)
Ms VM Barton MP
Mr MJ Crandon MP
Mr CD Crawford MP
Mr DA Pegg MP
Mr PT Weir MP

Staff present:

Ms D Jeffrey (Research Director)
Dr M Lilith (Principal Research Officer)
Ms C Heffernan (Executive Assistant)

PUBLIC HEARING—INQUIRY INTO THE INDUSTRIAL RELATIONS (RESTORING FAIRNESS) AND OTHER LEGISLATION AMENDMENT BILL 2015

TRANSCRIPT OF PROCEEDINGS

MONDAY, 25 MAY 2015

Brisbane

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Committee met at 9.00 am

BATTAMS, Mr John, President, Queensland Council of Unions (QCU)

BEHRENS, Mr Nick, General Manager, Advocacy, Chamber of Commerce and Industry Queensland (CCIQ)

DONALD, Dr Sandy, Public Health Delegate, Together Queensland

EDMONDS, Ms Thalia, Industrial Advocate, Queensland Teachers' Union of Employees (QTUE)

MARTIN, Mr John, Research and Policy Officer, Queensland Council of Unions (QCU)

MORRISON, Dr Stephen, State President, Australian Salaried Medical Officers' Federation Queensland, Industrial Organisation of Employees (ASMOFQ)

O'SHANESY, Ms Jo, Communities, Child Safety and Disability Services Delegate, Together Queensland

ROYLE, Dr Suzanne, State Vice President, Australian Salaried Medical Officers' Federation Queensland, Industrial Organisation of Employees (ASMOFQ)

SCOTT, Mr Alex, Branch Secretary, Together Queensland

SPRECKLEY, Mr John, Senior Industrial Officer, United Firefighters Union of Australia Queensland (UFUAQ)

THOMAS, Mr Michael, Director (Observer), Together Queensland

TURNBULL, Dr Christopher, State Management Committee Member, Australian Salaried Medical Officers' Federation Queensland, Industrial Organisation of Employees (ASMOFQ)

CHAIR: Good morning, ladies and gentlemen. I declare open this public hearing of the Finance and Administration Committee's inquiry into the Industrial Relations (Restoring Fairness) and Other Legislation Amendment Bill 2015. I am Di Farmer, the chair of the committee and the member for Bulimba. The other members of the committee are: Mr Michael Crandon, our deputy chair and member for Coomera; Ms Verity Barton, the member for Broadwater; Mr Craig Crawford, the member for Barron River; Mr Pat Weir, the member for Condamine; and Mr Duncan Pegg, the member for Stretton. At some point we will be joined by Mr Ian Walker, the member for Mansfield and the shadow Attorney-General—he has just arrived—and shadow minister for justice and industrial relations and the arts.

The purpose of this hearing is to receive additional information from submitters about the bill that was referred to the committee on 7 May 2015. This hearing is a formal proceeding of the parliament and is subject to the Legislative Assembly's standing rules and orders. The committee will not require evidence to be given under oath, but I remind you that intentionally misleading the committee is a serious offence.

Thank you for your attendance today. The committee appreciates your assistance. You have previously been provided with a copy of the instructions for witnesses, so we will take those as read. Hansard will record the proceedings and you will be provided with the transcript. This hearing will also be broadcast. I also remind witnesses to speak into the microphones. Obviously, with so many of you we may need to do a little manoeuvring.

I remind all those in attendance at the hearing today that these proceedings are similar to parliament to the extent that the public cannot participate in the proceedings. In this regard, I remind

members of the public that under the standing orders the public may be admitted to or excluded from the hearing at the discretion of the committee. We are running this hearing as a round table forum to facilitate discussion. However, only members of the committee can put questions to witnesses. If you wish to raise an issue for discussion, I ask you to direct your comments through the chair. I also request that mobile phones be turned off or switched to silent mode. I remind you that no calls can be taken in the hearing room.

The committee is familiar with the issues you have raised in your submissions and we thank for the detailed submissions that you have provided to us. The purpose of today's hearing is to further explore aspects of the issues you have raised in the submissions. I now invite each of you to make a brief opening statement if you wish to avail yourself of that opportunity. The committee has a number of questions it wishes to put to you and there will be opportunities for you to make additional points throughout the hearing. Could I ask that you limit your opening statements to three minutes maximum. If you would like to introduce the other members from your organisation, we would appreciate that. I start with the Chamber of Commerce and Industry.

Mr Behrens: I am Nick Behrens, the Director of Advocacy appearing on behalf of the Chamber of Commerce and Industry Queensland. The CCIQ welcomes the opportunity to provide feedback to the committee on the Industrial Relations (Restoring Fairness) and Other Legislation Amendment Bill. The Queensland business community has a strong right to be heard on this issue, contributing at least $8.1 billion through payroll tax, land tax, stamp duties and motor vehicle registration. That equates to about 65 per cent of total state taxation revenue. Approximately 44 per cent of the state's operating costs are portioned as employee or superannuation expenses. Accordingly, the nexus between business taxes and the state budget's employee expenditure is strong.

The CCIQ is highly supportive of the state government's current fiscal strategy that includes maintaining an operating surplus across the economic cycle and paying down state debt by $12 billion over the next 10 years. However, CCIQ has significant concerns that, if this is bill passed in its current form, it will undermine government efforts to achieve the above fiscal outcomes. The CCIQ is strongly supportive of the objective to require the QIRC to give consideration to the state's financial position and fiscal strategy when determining wage negotiations. Indeed, Queensland businesses are required to look closely at their own expenditure to ensure they remain profitable and viable, and the Queensland government should be no different.

The overall trend in Queensland finances in recent years has been one of improvement driven by restraint in recurrent spending, and we do not wish to see this progress discontinued. Failure to prudently manage recurrent expenditure would threaten the sustainability of our public finances over the medium term. That would damage the economy's competitiveness through the prospect of having to increase business taxes. This is an outcome that must be avoided.

The CCIQ has the highest regard for our state's public servants and does not oppose wage increases generally. However, any adjustment needs to be with the lens of affordability. Accordingly, the CCIQ is supportive of the objective in the current act being retained to ensure the state's financial position and fiscal strategy are taken into consideration by the QIRC when determining wage outcomes.

The CCIQ also raises concerns that the outsourcing practices that allow for boosted productivity and efficiency within the provision of services to the Queensland community are also threatened by this bill. In short, there should be no ideological predisposition for or against outsourcing and the potential abandonment of this practice as posited within the bill would additionally undermine the state government's fiscal strategy, as well as damaging the Queensland business community. Accordingly, this should be resisted. I look forward to taking your questions. Thank you.

CHAIR: The Queensland Council of Unions?

Mr Battams: Good morning. I have with me Mr John Martin, our research and policy officer. The QCU is a peak union body in Queensland. There are approximately 380,000 union members in Queensland from the last report from the Queensland Industrial Relations Commission register. In my couple of minutes, I want to turn the clock back and revisit some of the industrial relations legislation passed by the previous government, because that forms a basis for this bill being necessary.

The first change occurred with the Industrial Relations (Fair Work Harmonisation) Act. Obviously, the Orwellian language here tried to convince people that there was somehow a connection between that bill and the Fair Work Act. Our contention would be that that bill cherry picked the most advantageous aspects of fair work legislation for the employer and disregarded anything in the Fair Work Act that was advantageous to employees.

In terms of fiscal position and fiscal strategy, the Industrial Relations Commission has always taken account of arguments by the employer, being the government, in relation to their financial position. We particularly opposed the commission having to take account of the government's fiscal strategy. Fiscal strategy is often based on ideology or philosophy. It is often a political strategy, closely linked to public debate around politics, and we could see no reason why fiscal strategy of the government would have to be taken into account. Further, the requirement that the commission could get the Treasury chief to brief the QIRC without the opportunity for unions to cross-examine that person's position was also opposed by us.

In terms of the second bill, the Public Service and Other Legislation Amendment Bill, this amendment bill was specifically introduced because the government was facing an uphill battle in terms of some of its policy positions. In this bill, they were able to carry legislation that allowed ministerial directives to override what had previously been agreed between government departments and unions in relation to employment security and contracting out. We had a situation where previously agreed agreements were now overridden by ministerial directives.

The third piece of legislation was called the Industrial Relations (Transparency and Accountability of Industrial Organisations) Act, which was vindictive, petty and self-indulgent in terms of the way the various parties in the industrial relations system were treated. For example, there was a provision for unions of employees to have to retrospectively publish credit card statements on the website of the relevant organisation and that particular provision was not applied to employer organisations, only unions. In all of their dirt digging around this provision, the only evidence of any corruption found to exist in terms of industrial organisations was, in fact, with an employer organisation, which was run by the previous member for Redcliffe.

CHAIR: Excuse me, John, I am going to need you to wrap up.

Mr Battams: The last one, the so-called Fair Work Harmonisation Act, was basically put through the parliament to ensure that employers and employees could not agree on certain aspects, thus making null and void provisions that otherwise would have applied to security, training, contracting out and work load management. Thank you.

CHAIR: Thank you, John. The Queensland Teachers Union?

Ms Edmonds: I am Thalia Edmonds, the Industrial Advocate for the Queensland Teachers Union of employees. The Queensland Teachers Union has a broad membership with 44,000 members across the breadth and width of the state. The Queensland Teachers Union notes the significant and positive steps towards achieving a fair and equitable industrial relations system for workers contained in this bill. The measures contained in the bill clearly indicate a willingness of government to provide stability and a thoughtful collaborative approach to industrial relations reform, rather than a chaotic ever-changing landscape. In the last three years, there were 18 amendments between the period of 6 June 2012 and 4 June 2015 to the Industrial Relations Act alone. The QTU would like to address the nexus between award modernisation and certified agreements, and notes that this bill removes the mandatory and non-allowable content that was, in essence, the gravamen of the award modernisation process.

The QTU questions the requirement for a time and labour cost intensive process, such as the continuation of the award modernisation process. It is the QTU's submission that a better approach is to remove sections 140F and 140J of the Industrial Relations Act and reinstate sections 126, 127, 128 and 130 of the previous award. This allows an award review process to continue as a rolling process, rather than a false and costly impost for the government and the commission and the unions. Thank you for the opportunity to address the bill. Those are the QTU's submissions.

CHAIR: United Firefighters?

Mr Spreckley: Thank you to the committee. The Firefighters Union believes that the removal of rigid prescriptive provisions about mandatory and none allowable content for industrial instruments will allow for more flexible awards and agreements, as well as restoring some fairness. The Firefighters Union believes that the current award modernisation process is unnecessary and time consuming. Firefighting awards have already been reviewed and updated by the QIRC in 2012. While the time-consuming award modernisation processes were being embarked upon by the QIRC, it is instructive to note that a significant group of dedicated state government employees, namely auxiliary firefighters, have been unable to attain a basic first award from the QIRC in approximately three years of trying.

The QIRC has also been tackling arbitration under the inflexible section 149D provisions. The existing section 149D provisions militate against parties taking responsibility for implementing workplace agreements. Government agencies are encouraged to abandon negotiations prematurely

and refer matters at issue to the QIRC in anticipation of a predetermined result. The policy direction reflected in the current legislation overwhelms the industrial tribunal with the complex work of implementing inflexible and unfair outcomes.

That context produced the certified agreement time frames we summarised in our written submission. After just four weeks of discussion between the parties, the government prematurely referred the fire service bargaining to the QIRC. In a period of almost three years the QIRC still has not produced a final order resulting from that arbitration.

During that period, the pay rates of firefighters at the lower classification levels actually fell below the minimum award rates. The overall result is that the firefighters' wages have slipped about 2.7 per cent behind the inflation rate over the period. It is our view that the amendments in this bill will ameliorate the unworkable inflexibilities which are now impacting upon the state IR system. We respectfully refer the committee to our written submission and trust that you find our experiences informative in your deliberations.

Dr Turnbull: Before 2014 senior doctors in the Queensland public hospital system worked under a medical officers certified agreement which they signed with the Newman government, and it worked. It worked because it was fair and equitable and it protected patients. Fatigue provisions, which were developed under the guidance of Dr Morrison, meant that patients were not being cared for by dangerously tired doctors forced to work unsafe hours. These provisions were developed after the probably avoidable death of a child in Queensland in which medical officer fatigue was a significant factor.

Protection from unfair dismissal and robust dispute resolution measures, including binding arbitration before the Queensland Industrial Relations Commission, meant that doctors could effectively advocate on behalf of their patients and advise management without fear of unfair dismissal or reprisal. Then the Newman government altered the Industrial Relations Act and the Hospital and Health Boards Act in late 2013, forcing senior doctors onto individual high-income guarantee contracts. These removed the fatigue and rostering provisions that had previously applied to both junior and senior doctors to protection our patients. They also removed protection from unfair dismissal and the ability to take disputes to the QIRC. This made it harder for doctors to stand up on behalf of their patients.

These contracts, quite frankly, have been a disaster for Queensland Health and for the patients that it serves. They are costly, difficult and unwieldy to administer. The contracts have destroyed morale, recruitment and retention of all doctors in the public hospital system, with both junior and senior doctors seeking employment elsewhere. These contracts are so unfair that, at the discretion of a hospital and health service, newly employed specialists can actually be paid at a lower rate than their colleagues doing an identical job.

The loss of dedicated, experienced and expert staff since 2013 has significantly, adversely impacted on the ability of the hospital system to deliver safe, timely and quality health care for all Queenslanders. We submit three requests to this committee: one, that the Industrial Relations (Restoring Fairness and Other Legislation) Amendment Bill should be passed and passed quickly so that both junior and senior doctors are better enabled to safely care for their patients; two, that the chapter 6A high-income senior employee arrangements and the related legislation be repealed; and, three, individual contracts for specialists are not working in this state and should be replaced by another medical officers certified agreement that treats senior doctors the same as any other public servant, giving them protection from unfair dismissal, robust dispute resolution measures, access to the QIRC and safe rostering and fatigue provisions. We request these actions quickly so that we can rebuild the public health system in this state with an engaged, innovative and capable workforce and deliver high-quality, safe and timely services to all Queenslanders.

Mr Scott: Dr Donald will make our initial statement.

Dr Donald: Whilst I support statements by my colleagues, I will try not to repeat what has already been said. I come from Cairns. Far North Queensland lost a number of existing senior doctors as a result of the previous government's attack on the health system, but we also had a number of newly qualified specialists who withdrew their job applications and moved interstate or went into private practice. Amongst the remaining specialists, trust is gone.

Most of the existing specialists have detached. They have lost a lot of the commitment because they know that whatever they build up can be destroyed very quickly. Most new specialists will no longer commit completely to the public health system. They are all trying to have some time in private practice. It means that they are not fully engaged. A large number of specialists in Queensland tendered their resignations as part of the contract dispute and these specialists have already done the hard mental work of detaching. It will take very little for them to go as well.

I note that at the March meeting of the Queensland anaesthetic directors they identified 30 unfilled anaesthetic specialist positions in Queensland. They believe there is at least another 10 vacant. This means people are not getting their operations.

In October two Cairns specialists were suspended following a *Courier-Mail* article about Ebola. Those suspensions do not appear to be based on any evidence that the specialists were responsible for the article. On the other hand, we are all well aware that these two had been very prominent in the contracts dispute. Doctors across Queensland saw this as the government making an example of outspoken specialists. The result was that Cairns patients lost 20 weeks of specialist services without good reason and with no adequate explanation then or later.

When we have so many specialists who are afraid to voice an opinion or point out a safety problem, it is easy to see how difficult it is for people lower in the system to be dismissed for no reason if they see inefficiency, waste or corruption. They have almost no opportunity for raising those problems. I would say the only reason to keep those current laws as they are is to continue the attack on doctors in particular and services to the public generally. I would request the committee recommend implementation of the bill with the added clauses relating to senior doctors.

CHAIR: We will move to questions now. My question is to the CCIQ. Nick, in your written submission, and you have restated that this morning, you talk about your belief that the QIRC should give consideration to the state's financial position and fiscal strategy. At the departmental briefing, which was held last week, the department explained that the current government's view is that it wants to re-establish the independence of the QIRC. However, the QIRC is guided by the need to balance economic and social needs and it would take into account a range of matters. They advise that there has been nothing to stop employers in that regard and they have traditionally obviously put arguments about the economic impact and financial impact of any decision in relation to awards and agreements and wage cases. This has been an established approach. The QCU referred to this. Could you tell us why you consider that the approach that was used previously was not sufficient?

Mr Behrens: Interpreting the advice the department has given you, I am not convinced that there is any reason not to have that requirement for the QIRC to consider the state's fiscal strategy. As indicated, we are very supportive of the state government's fiscal strategy as it stands. That is committing to maintaining a surplus across the economic cycle and paying down state debt by $12 billion. These are good things.

If we look above the line on the revenue side of the equation, everyone is in agreement that the Queensland economy is experiencing significant challenges. We have a resources downturn, we have prevailing drought conditions across much of the state and we have a soft economy. That will impact on royalties. That will impact on taxation revenue.

If we look at below the line on the expenditure side, previous state governments—and I use the plural form of government—have been able to make significant progress in bringing back into control expenditure. That has been through a number of means, such as the reduction in head count by 14,000 individuals. I do not think both sides of politics are really up for taking away anymore jobs. The two other aspects where we were able to rein in expenditure was on the basis of matching public sector wage outcomes with what was occurring in the private sector and also the introduction of contestability.

Our view is that the bill, as it stands at this point, really does remove those last two levers—ensuring that wage outcomes are affordable and introducing efficiencies through contestability. Our view is that the QIRC should have regard to the fiscal position and the fiscal strategy of the state government. The analogy we would use is that it would be like an organisation that is trading at a loss and its HR department is determining wage outcomes without any regard for what the financial position is as directed by their senior management team. We always take the view that the state government, at the end of the day, is an employer. Accordingly, it should match private sector practices. Having regard to the financial position of an organisation is not an unreasonable expectation from the business community.

CHAIR: Could I ask if anyone would like to comment on that?

Mr Battams: I think comparing the Queensland Industrial Relations Commission with a HR department really underlines the fact that some people do not understand what an independent Industrial Relations Commission is. It is independent from government. As we have already indicated and you have acknowledged, the commission has always taken account of the fiscal position as put by the relevant department negotiating the agreement.

Where this oversteps the mark is a requirement in a particular way for that to be taken into account. We believe that places undue pressure on the independent umpire in making their decisions. From our perspective, certainly in the past we have taken account of the government's position and argued the point around that. But to introduce the fiscal strategy of the government—and particularly with the previous LNP Newman government it was based on a particular ideology and set of beliefs—in a mandatory way to the commission I think is overstepping the mark. That is where we take exception to the politics of the government interfering with the independence of the commission.

CHAIR: Would anyone else like to comment on that point.

Mr Spreckley: As an industrial advocate operating within the state jurisdiction, I have had carriage of a number of section 149D arbitrations. In particular, one was prior to the amendments which are now sought to be removed by the bill and one was after. The one that was prior to the amendments that are being sought to be removed by this bill was on behalf of the ambulance employees in the state of Queensland. During that section 149D arbitration, which did not include the specified provisions about fiscal strategy, there was extensive material and submissions put before the tribunal from Treasury in relation to costings.

The union that I was employed by at that time, but am not employed by now, went to considerable expense to have independent auditing and costings by major, highly reputable forensic accountants during the matter. The industrial tribunal carefully considered and balanced the interests of all of the participants in that particular case and did take very close and particular note of the finances and capacity of the government to fund and pay the particular outcomes that were being debated.

That can be contrasted quite significantly with the more recent section 149D arbitration where I appeared on behalf of the firefighters union. In that particular arbitration the difference was basically that the industrial tribunal was overwhelmed by those particular provisions which specified that they had to take account of the fiscal strategy to the extent that the independence and confidence in the tribunal was so severely diminished that there would be a need, in our assessment—particularly comparing those two—to remove those provisions of the bill.

The industrial tribunal has always taken particular account of finances and financial considerations and costings and, in particular, where the state government is involved. I have had many a long night or weekend trying to go through Treasury costings and arguments. It is just simply not correct to say the tribunal has never taken account of those things.

CHAIR: Are there any other comments on that question?

Mr CRANDON: John, we might come back to that whole issue, because the next question that we would like some feedback on from whoever would like to give us some feedback relates particularly to councils. The committee received a number of submissions from local government right around the state. Some of those were belated submissions because they were unfortunately left off the list of invitees specifically initially. Anyway, we did rectify that and they got a very short period of time to try to get something to us which increased the number of submissions.

They are concerned that the omission of the requirement that the QIRC take into account their financial position will impact on their ability to balance their budgets and ensure financial sustainability. These are councils right around the state. We are talking about councils that are perhaps in areas where they have very stagnant, if I can put it that way, numbers of residents moving in. Sometimes they are losing residents. Their revenue base is being eroded and what have you. They have particularly pointed to this area of this new bill. John, would you like to make some comment? How would you respond to that particular issue? We would be more than happy to hear from anyone who would like to make a comment on this.

Mr Battams: The unions specifically involved largely in that area will appear later, but we will make a couple of initial comments. Mr Martin has had some experience with local government. But I just want to say this: the level of wage increases in the Australian economy including Queensland is at its lowest in 17 years since the current figures begun being published. I think that underlines the fact that wage fixation or wage agreements are determined by a whole range of factors, and certainly the state of the economy and capacity to pay influences that. That is one of the reasons why wage rises have been curtailed in recent times—the lowest level of wage increases in 17 years.

As we have just heard, in an independent industrial relations system, the parties have the opportunity to present evidence which they think is relevant to the determination of the wage increase or whatever other condition is under the spotlight. If these provisions are removed, as we are supporting, local councils, if they have to have a proposal arbitrated, would be quite free to present

the material that has been published in the newspapers recently—that job losses would occur, for example—or that they cannot afford to pay more than X. So there is ample opportunity—and there was ample opportunity for the previous 100 years of our state industrial system—for the employer, if they believe the capacity to pay was a significant factor that should be considered, to present that material. We do not need provisions which curtail the independence of the Industrial Relations Commission like these did, particularly in relation to fiscal strategy.

Mr Martin: I guess the first response would be: what is the likelihood of an arbitrated outcome, bearing in mind that this provision we are currently talking about is in the case that the parties cannot reach agreement and require the assistance of the Queensland Industrial Relations Commission? I would add that, prior to the amendments made by the Newman government to the Industrial Relations Act, that was not automatic. It was not just a case of run the white flag up the pole. You had to prove that negotiations had stalled and go through a process of conciliation.

In terms of the possibility of this actually occurring, I will find out given that the question has been asked. But I do not recall an arbitrated outcome within local government certainly since local governments have come back into the Queensland jurisdiction which would have been around 2006. To my recollection there has not been an arbitrated outcome, so the point is moot. It will be a question of what that specific council negotiates with its unions and/or workforce. Its capacity to pay will be foremost in its mind when negotiating a certified agreement. It is only when those negotiations break down that they would have to go to the Industrial Relations Commission and in that case they would have the opportunity to run arguments about capacity to pay.

I add as a general observation that it is very rare for an employer to run capacity to pay arguments because it is easier to say that you cannot afford something than to actually prove it. I suspect the councils that are making these submissions to you are unlikely to ever face an arbitrated outcome.

Mr CRANDON: That was an interesting final comment. Would anyone else like to comment on that?

Mr Scott: I think in terms of the whole commentary around this debate, I am not an industrial advocate like John Martin or John Spreckley or Thalia Edmonds but we need to understand what we are talking about here. First of all, this does not determine the wages policy for the state government or local government entities. It was referred to earlier that this is a comparison between the Industrial Relations Commission and HR. That is not a fair comparison. Each government and local government entity will determine what they can offer as a wage outcome. They will then seek to negotiate that with their workers. If their workers are able to accept that outcome based on what is happening in terms of cost of living and what the financial situation is for their employer, whether it be local government or state government, we end up with a collective bargaining outcome which is then registered by the Industrial Relations Commission and the Industrial Relations Commission does not vary that agreement in one way at all. That is the opportunity for local government and state government to be able to convince their workers that in light of where inflation is at and in light of their fiscal situation this is a fair and reasonable deal.

If the employer and the workers are unable to come to an agreement, this is when the Industrial Relations Commission gets involved. What this piece of legislation is about is where the independent umpire has been brought in to try to arbitrate an outcome where the workers and the employer cannot come to an agreed outcome. At this point in time this legislation does not say what the employer will argue for. They can still argue for their claim. What this says is how does the independent umpire balance the various arguments.

My understanding of the situation—and Mr Spreckley, Mr Martin and Ms Edmonds will correct me if I am wrong—is that, prior to this legislation going through under Newman, the Industrial Relations Commission made a determination looking at a range of economic factors and social factors. What we now have is a series of amendments which remove the independence of the Industrial Relations Commission in terms of its ability to make judgments it felt were fair and reasonable, and it was not only limited to taking submissions from the Under Treasurer that could not be challenged but also, in terms of the weight of evidence it had to provide, it took into account the fiscal strategy in a way that it did not take into account the economic circumstances facing the workers. So it was a completely biased approach for an independent commission.

We strongly support an independent commission. We strongly support a robust commission. If you look at the difference between what the Industrial Relations Commission thought was fair and reasonable in the state wage case where its hands were not tied compared to the arbitrations that have occurred in the state public sector where it was told effectively it had no option other than to

accept the government submissions because the legislation was drafted that way, there was a very significant difference. This is about ensuring fairness and balance in the Industrial Relations Commission to listen to both the workers' and the employer's arguments rather than being in a situation where the employer puts forward a submission and the Industrial Relations Commission has no option other than to accept it. That is the worst-case scenario.

Very few arbitrations have occurred in local government, if any. Very few arbitrations until recently occurred in the public sector. Workers are reasonable. They understand the fiscal circumstances facing their employers. That is why enterprise bargaining, by and large, is the best way of having outcomes. But where there cannot be agreement reached we have an independent umpire. That independent umpire should be allowed to make its decisions without having one hand tied behind its back. It should listen to both the workers' and the employer's arguments. The current legislation that was introduced under the Newman government which we are seeking to have removed under this bill would go back to the status quo, which was that the independent umpire, the Industrial Relations Commission, should make decisions in the way it sees fit rather than being determined.

Mr CRANDON: Thanks, Alex. I think Nick Behrens wanted to make a comment.

Mr Behrens: If we look back to the evidence that I gave to this committee in 2012, I cited the statistics relating to public sector wage outcomes between the GFC and up until the time that bill was introduced, and that was significantly higher than the wage outcomes that were occurring in the private sector. To put some numbers around it, in the decade up to 2011-12, per annum average growth in employee expenses within the Public Service was growing at 8.6 per cent. As a consequence of this bill, the LNP bill, as a consequence of requiring the QIRC to determine the fiscal strategy and fiscal position that the state government is in, that 8.6 per cent per annum growth came back to 3.8 per cent. That is an outcome that more closely matches wage outcomes that are occurring in the private sector. The point that the chamber would make is, as I said, we have a profound respect for the Public Service; however, the interests of the 197,000 public servants do not outweigh the 4.7 million Queenslanders who actually fund the Public Service through public taxes.

Miss BARTON: I just had a question for ASMOF.

CHAIR: Sorry, Verity. Did you want to make one very quick point, Mr Scott?

Mr Scott: In terms of the evidence that has just been presented from CCIQ in relation to the constraint of wage costs, that is total employment costs, not wage outcomes. That needs to take into account the 14,000 jobs that were lost. So I think the committee should look very carefully at the wage outcomes argued for, rather than just looking at saying that section 149D had anything to do with the total wage costs versus wage outcomes. They are very significantly different issues.

CHAIR: Thank you. We have a number of issues we want to raise this morning. Please be assured that if we need to ask further questions we will do so in writing. I know you will probably all want to spend an hour talking about each individual topic, but we want to make sure we get a range of input.

Mr CRANDON: Madam Chair, given the opportunity for Alex to respond, it appeared that Nick might want to respond to what Alex was saying.

Mr Behrens: What I will do is I will come back to the committee, if you would like, with the actual numbers behind it, so we can get some clarity.

CHAIR: In writing, yes. I think that is the way we will manage this this morning.

Mr Martin: You might add the wage movements for local government while you are at it, because that was the specific question that was asked.

CHAIR: Thank you. We will move on.

Miss BARTON: As I was saying, my question is to ASMOF. I wanted to talk about the amendments with regard to the right of private practice. I wondered if you could talk about how you can ensure that the proposed amendments to the right of private practice will not see the system go back to where it was, where the Auditor-General had indicated that there were clearly significant problems. The Auditor-General himself talked about the more than the questionable practices and the failure of the practices which saw more than $800 million in taxpayer funds effectively being misused. I wondered if you could talk about how you will ensure that we will not go back to that system.

Dr Turnbull: I am not aware that in the end the Auditor-General's report resulted in any prosecutions or any findings, primarily because the systems of oversight and governance in Queensland Health are so weak and non-existent in a lot of cases. I think the take-home message is

that Queensland Health needs to have more robust oversight and governance measures in place. If anything, the individual contracts that doctors are on now set up the possibility for sweetheart deals, for people being on different rates of pay than their colleagues doing the same jobs. So I think, if anything, the current situation muddies the water and makes improper behaviour like that more likely.

Dr Donald: The Auditor-General found that what the money was being spent on did not match the documentation that existed. We already knew that. We had an agreement in MOCA 3 to completely re-do private practice so that the reality matched the documentation. The other thing I would mention is that when Peter Beattie was premier he announced a large amount of recurrent funding, specifically for option A. So, as the then director-general said in his response to the audit commission, you cannot have it as cost neutral and as a recruitment and retention incentive. So I agree: the documentation did not match the reality but the reality I think matched the intent.

Mr PEGG: I have a general question if anyone could assist me with it. In relation to the award modernisation process, is anyone able to give me an example of conditions lost by employees through that process?

Mr Thomas: Yes, there have been about 10 modern awards made. Throughout that, Deputy President Bloomfield and the award modernisation team basically went through the awards and looked at all the conditions that were non-allowable. You saw conditions that allowed employees to have a voice in the workplace were not allowable so they were stripped out. Anything that related to employment security or the ability to talk to the employer about the use of temporary employees was stripped out. In one example, transport inspectors with the Department of Transport and Main Roads have interesting work patterns because they have to be where the trucks are at a certain time. There was a rostering guideline put in place that was the outcome of negotiations as part of the agreement back in, I think, 2003. The outcome of those negotiations was to put those practices in the award. They went a long way to ensure there were not any issues with fatigue and so forth. The Newman legislation said you could not have anything in the award that talked about rostering practices, so they were stripped out. Yes, there was a range of conditions that were taken out because the first thing the award modernisation did was, 'What is the allowable content and let's take it out of the awards.'

The other thing that is vital to understand is with respect to termination, change and redundancy. The TCR conditions came out of the federal system when we talk about federal harmonisation. They had been around since 1984. They were not joint decision making, but they meant that, where there was significant organisational change, employees had the bona fide ability to try to influence the decision maker on the change itself and the process by which the change would be implemented. The Newman legislation altered the TCR provisions away from the statement that had been made by the Fair Work Commission, or the AIRC beforehand, and the independent umpire here, the QIRC, and said that under the state act employees could only be consulted when the employer felt like it, not as soon as possible after making a definite decision and they would only be consulted about the implementation of the change, not the change itself. So with respect to a voice in the workplace and consultation, Queensland employees under the Queensland act were significantly worse off than any other employee in Australia.

Mr Martin: I can also add to that. Again in the local government area, I cannot assist you with precise details, but I am assuming other organisations will be appearing this morning who may be able to assist you. In particular, the AWU, the Services Union and the CFMEU have membership in that area. My understanding is that a number of allowances were removed from that award including locality allowances.

Mr WALKER: I am interested in two things: the relationship between wage pressure in the public sector and how that might flow on to the non-public sector and, as part of that consideration, whether you believe there is pressure that might therefore flow more broadly towards the state's credit rating, the AA rating which we now have?

CHAIR: Could I just be clear that we are not asking for opinion here.

Mr Behrens: The correlation between the revenue raising requirement and expenditure was articulated in my opening statement. Essentially, 65 per cent of state taxes comes from business and 44 per cent of state government expenditure is devoted to employee expenses and superannuation. So there is definitely a correlation. As we saw from the midyear fiscal and economic review, the LNP was committing to achieve a surplus for 2015-16. We believe that that was predicated on the fact that it had been put able to put the reins on expenditure growth that was occurring without restraint over previous years. Ultimately, if we talk about the importance of a AAA credit rating for the state, it is a powerful signal for the appropriateness of investing in Queensland. It is not fitting that Queensland

does not have a AAA credit rating. The only way that we can get that back is to get our budget back into surplus, to address that embedded structural deficit that has existed in previous years.

To that end, the comment that we would make about the midyear fiscal and economic review is that, if we were to take the average surplus that is in place over the forward estimates and were to apply that solely to the pay down of debt, it would take 13 years to get our AAA credit rating back. What we are concerned about with this bill is that we may not get back into surplus as a result of lacking discipline in how we spend our money. If that is the case, then a surplus and a AAA credit rating gets put back to the never-never. We do not think that that is something that meets the business community's expectation of government.

CHAIR: Thank you. With respect, we have actually discussed this issue to quite an extensive degree now. Is there something that you would like to say, Dr Morrison, very quickly?

Dr Morrison: I actually wanted to respond to the previous questioner, but you did not spot my finger up.

CHAIR: I am so sorry.

Dr Morrison: This had to do with award and agreement rights that were stripped out. Our opening speaker, Chris Turnbull, mentioned the tragic case of a 10-year-old girl who fell out of a top bunk, cracked her head and died of an intracranial haemorrhage. In the coronial inquest report, the coroner declared that one very significant factor was doctor fatigue. The young doctor concerned, who was a graduate of less than two years standing, had been on duty for 20 hours of a 24-hour shift and was clearly fatigued at the time. The health department, to its credit, set up a very detailed commission which I co-chaired to try to put in place a risk mitigation strategy for Queensland Health. That was incorporated into policy in 2008-09 and was incorporated into the last version of the MOCA certified agreement in 2012. For example, it pointed out that there was evidence to show that doctors who had been on continuous duty for 16 hours had a cognitive state that was in the illegal drink-driving category. For that reason, the policy included the prohibition of worker hours longer than 12 hours with a minimum gap between shifts as well to ensure freedom from fatigue. These, as I say, were incorporated. We felt, as a union and indeed as a profession generally, that it beggared belief when the LNP government decided to take those rostering and fatigue provisions out of the award. This could have been your child, Madam Chair, or mine or indeed not a child at all; it could have been anybody. We do not want to be treated by tired doctors.

Mr WEIR: I would like to ask a question about outsourcing, whether that be the private sector or in local government. In my area, for example, on buildings of schools, repair work and maintenance work, our local contractors would like to be able to compete for those jobs. Are there any opinions? Would anybody like to add anything to do that?

Mr Martin: What was actually done that has put this all into perspective is that agreements were reached between an employer, being the Queensland government, and its employees that certain services would not be contracted out. The legislation that was introduced by the Newman government unilaterally removed that commitment. That is what we are talking about now. To think that there would be no outsourcing at all would be completely unrealistic. There are things that are going to be done by the private sector that are not done by the public sector. Construction is one that you mentioned. A clause in a certified agreement is not going to change that. The provisions that did exist were about fundamental public services. The word 'contestability' has been thrown around, which is a euphemism for privatisation. I guess that is the political divide that exists as to whether the process of privatisation has gone too far and there are services that Queenslanders believe should be provided by the public sector. The previous government sought to remove those undertakings that those services that are properly provided by the public sector would not be contracted out. If it is in your mind that something that this bill would do would prevent the private sector getting work from government, that is simply not the case.

Mr Behrens: To the business community, as we have stated, there should be no ideological predisposition for or against outsourcing or contestability. What we know is that in many instances—not all instances—the private sector is able to provide services at more value for money to the taxpayer or, in some instances, an actual better service for product to the Public Service. To that end, we need to keep our options open. We do have concerns about clause 16 and the impact that it may have on the ability to continue with the issue of contestability and, accordingly, we would like to see that not mentioned in the amendment bill.

CHAIR: Jo, did you just give an indication before that you wanted to answer that as well?

Ms O'Shanesy: With regard to outsourcing, my experience as a public servant and as a professional is that the Queensland government has had the capacity to negotiate outsourcing

whenever needed currently. The situation that I worked through in the last three years is that I have seen an enormous amount of money, time and effort used in trying to determine contestability of resources. There has been a lot of lost money that has occurred within particularly the Department of Communities where there have been truncated processes in order to determine where the best service can be found and sought. I have found that to be a very uneconomic process. I feel that the Queensland government, prior to this current lot of legislation, had sufficient regards and processes in mind to balance out those considerations at all times.

The other thing that I have really noticed in these discussions around fiscal responsibilities is that I have always found that Queensland public servants are not greedy people; they are highly responsible people. International research shows that Australian and Queensland public servants are some of the most hardworking individuals in the world in terms of hours of work and their capacity for work. I think that it is essential that restoring fairness occurs for our workers. We need to remember, too, that every public servant is a consumer. Every public servant consumes. If they are unable to have reasonable wages, they are unable to consume, to build business. Also government constantly is using business at all times. There is a strong interplay between the government and the private sector, and we can never forget that. We are not in opposition; we are connected and connected deeply. As professionals, particularly in child safety, we are here to care for the children and for their future. They will cost a lot of money in the future if we do not care for them well. If we do not professionally respond to them adequately, it will cost this government billions of dollars in mental healthcare, prisons and physical healthcare because we know that our children are our future and they need careful consideration and support and deep professionalism and commitment.

CHAIR: We will take one more question.

Mr CRAWFORD: Jo, leave the microphone there because this one is for you. I would also like Sandy to answer this because I have noticed that both of you are delegates. This question is around the union encouragement conversation that has been happening at the moment. I am making the assumption that both of you joined the union prior to 2012, and so my first question to both of you is: were you pressured to join the union under the previous encouragement policy?

Ms O'Shanesy: No, I was not pressured. I have been with the Department of Child Safety in its various iterations from 1981. I joined the union on my third stint in child safety in 2003. I did that when an organiser came around to the workplace and explained some of the entitlements and services that they could provide to me. At no point was I pressured; in fact, as a social worker it is incumbent on me that at all times I am looking at matters of social justice and fairness, and therefore it was only sensible for me to join the union.

Mr CRAWFORD: Sandy, the same question.

Dr Donald: There was certainly no pressure at all. There was union material in the workplace not particularly prominent, but visible, and I joined in fact because I had seen some things going wrong and wanted to be able to help my colleagues.

Mr CRAWFORD: The second part of the question for you both is: as a delegate in the workplace, with the provisions in relation to union encouragement that have been in place for some two or three years now, how has that affected you? How has that impacted you and your workplace as a delegate?

Ms O'Shanesy: I could say quite clearly for myself that my ability to progress within the organisation has been impacted by the fact that I am a union delegate. I have been targeted in a number of situations, and I can be really clear that at all times I am very discreet, appropriate and conduct myself in a professional manner. To live and work in a workplace where fairness and the ability to speak up for oneself is not respected is very concerning not only for professionals, but for every citizen in this state.

Dr Donald: The first thing I would say is our award still contains a union encouragement provision; it is just that the law does not let us have any access to that award. In my workplace I represent not just doctors, but a lot of other groups as well. Certainly the LNP has been the best recruiting agent we have ever had. An enormous number of doctors joined the union. Where we have particular problems is because some of the people have far less job security. A lot of the clerical staff who used to tell me when things were going wrong, when there was waste and inefficiency or bullying, are now terrified of losing their job. I have also spoken to doctors in Brisbane hospitals who believed that if they were seen speaking to a union representative they would be sacked immediately, and these are very senior specialists who no longer have, in their view, any way of raising critical safety, workplace or bullying problems. We had to meet off-site after hours just to raise an issue with someone who had clearly been improperly employed from overseas as a senior manager in breach of 457. They did not feel they could raise that internally and they did not feel they could even talk to

a union representative within their workplace. That, I think, is a very unsafe workplace for both staff and patients.

CHAIR: We do have a number of questions to ask each of you. Thalia, for instance, there are a number of specific issues you have raised in your submission. To each of you we have a range of general questions as well. Unfortunately, the time for the hearing has expired. We will contact you in the very near future with further questions. Unless there is anything that anyone would like to raise that you do not feel you can easily in your written follow-up?

Mr Scott: With the committee's acceptance, is it possible for us to put in a second written submission? We have already put in a written submission earlier, but given some of the commentary around union encouragement over the last week we feel it is appropriate to revisit the issues around a review of the industrial relations legislation from 15 years ago to provide some balance to that process.

CHAIR: Yes, that would be part of the questions we would be asking you. Thank you for your attendance today. We appreciate your assistance. I declare this briefing closed.

Is it the wish of the committee that the evidence given here be authorised for publication pursuant to section 52A of the Parliament of Queensland Act?

COMMITTEE: Yes.

CHAIR: So authorised.

Proceedings suspended from 10.05 am to 10.11 am

CHAIR: Good morning, ladies and gentlemen. I declare this public hearing of the Finance and Administration Committee's inquiry into the Industrial Relations (Restoring Fairness) and Other Legislation Amendment Bill 2015 open. I am Di Farmer, the chair of the committee and the member for Bulimba. The other members of the committee are: Mr Michael Crandon, the deputy chair and member for Coomera; Ms Verity Bardon, member for Broadwater; Mr Duncan Pegg, member for Stretton; Mr Ian Walker, member for Mansfield and shadow attorney-general and shadow minister for justice, industrial relations and arts; Mr Pat Weir, member for Condamine; and Mr Craig Crawford, member for Barron River. The purpose of this hearing is to receive additional information from submitters about the bill which was referred to the committee on 7 May 2015. This hearing is a formal proceeding of the parliament and is subject to the Legislative Assembly's standing rules and orders. The committee will not require evidence to be given under oath, but I remind you that intentionally misleading the committee is a serious offence.

Thank you for your attendance here today. The committee appreciates your assistance. You have previously been provided with a copy of the instructions for witnesses, so we will take those as read. Hansard will record the proceedings and you will be provided with the transcript. This hearing will also be broadcast. For the benefit of our Hansard reporters, could I also remind witnesses to speak into the microphones. I remind all those in attendance at the hearing today that these proceedings are similar to parliament to the extent that the public cannot participate in the proceedings. I remind members of the public that under the standing orders the public may be admitted to, or excluded from, the hearing at the discretion of the committee. We are running this hearing as a roundtable forum to facilitate discussion; however, only members of the committee can put questions to witnesses. If you wish to raise an issue for discussion, I ask you to direct your comments through the chair. I also request that mobile phones be turned off or switched to silent mode, and I remind you that no calls can be taken in the hearing room.

The committee is familiar with the issues you have raised in your submissions, and we thank you for the detailed submissions we have received. The purpose of today's hearing is to further explore aspects of the issues you have raised in your submissions. I would now like to invite each of the organisations to make a brief opening statement. If you wish to take up that opportunity, I would ask that you limit it to three minutes only. You may also introduce the other members from your organisation that are here. The committee has a number of questions that we wish to put to you, and there will be opportunities for you to make additional points throughout the hearing. I would ask United Voice to begin.

ALLEN, Ms Katelyn, Industrial Officer, Australian Manufacturing Workers Union

BEAK, Mr Michael, Ambulance Delegate and Paramedic, United Voice, Industrial Union of Employees Queensland

BORG, Mr Ashley, Senior Industrial Officer, Construction, Forestry, Mining & Energy Union

BOTH, Ms Lorin, Industrial Officer, Queensland Nurses' Union of Employees

CLIFFORD, Mr Michael, Public Sector Coordinator, United Voice, Industrial Union of Employees Queensland

HARDMAN, Mr Des, Health Delegate Medical Imaging, United Voice, Industrial Union of Employees Queensland

HUSKIE, Ms Rosenne, Industrial Officer, Construction, Forestry, Mining & Energy Union

MACDONALD, Ms Kate, Mackay Resident, Local Government Employee and Vice President The Services Union Local Authorities Industry Committee

MOHLE, Ms Beth, State Secretary, Queensland Nurses' Union of Employees

SEMPLE, Ms Vonnie, Industrial Officer, Queensland Nurses' Union of Employees

TAYLOR, Mr Mark, Brisbane Resident, Local Government Employee and Delegate, Shop, Distributive & Allied Employees Association Queensland Branch of the Services Union

THOMAS, Ms Jennifer, Assistant Secretary, Shop, Distributive & Allied Employees Association Queensland Branch of the Services Union

TODHUNTER, Dr Liz, Research and Policy Officer, Queensland Nurses' Union of Employees

TUROMSZA, Ms Barbara, Education Delegate and School Cleaner, United Voice, Industrial Union of Employees Queensland

Mr Clifford: Thank you very much for the opportunity to appear here today. I will be very brief and then hand over to my colleagues on my left. Our submission recommends five alterations to the bill. I particularly bring your attention to the first of those, because there is some urgency to it. We have three enterprise agreements that are continuing agreements under the current act which are due to be renegotiated this year. There is a hold on that because there is no modern award in place for those agreements, and they are named in the submissions. We would urge the committee to look at that issue and address that issue so that there is no further delay for those tens of thousands of employees to negotiate those agreements.

I would like to introduce three members for brief statements: Mr Des Hardman is a radiographer from Logan Hospital; Barb Turomsza is a school cleaner from Mount Gravatt high school; and Michael Beak is an advanced care paramedic based at Mount Tamborine.

Mr Hardman: I just wanted to say that when these laws were unnecessarily changed by the LNP government, they had a consultation similar to this and at that time that consultation with the public and the committee seemed to ignore the concerns of honest working people, and I know this because I was here.

Taking away the rights and protections of people in the workplace is unfair and it leaves employees exposed and vulnerable. The workplace can become unsafe, it creates an environment of fear and uncertainty and ultimately leads to the demoralisation of staff and the destruction of workforce morale. I have seen this as well in my workplace. Returning the rights and protections of workers is good policy. I know this because I saw improvement in morale in my workplace when my colleagues realised we had a Labor government back in Queensland.

CHAIR: If I could just interrupt, Des, because we have so many people here today we only have three minutes per organisation. These are very powerful statements and I appreciate the personal effort behind them. If you wish to submit your statements in writing, the committee will be happy to accept that. But I just need to remind you of our time limit.

Mr Clifford: Chair, each person has about 30 seconds.

Mr Hardman: So we have only prepared short statements.

Mr CRANDON: Madam Chair, we have all of these people who need to make—

CHAIR: Yes, so if I could just ask for short statements from the other two people attending. I am so sorry, but could we have your statement in writing?

Mr Hardman: Yes, but do you want me just to finish?

CHAIR: If you have about one second.

Mr Hardman: Yes; thank you. I just think that the restoration of fair workforce policy is essential to Queenslanders. Thank you.

CHAIR: Thank you very much.

Ms Turomsza: Hello. I have been a school cleaner for 14 years with Education Queensland and security of employment is extremely important for us. With the job security clause removed from our EBA, our stability goes. It puts pressure on our families, especially our budgets. It makes us second-guess purchasing big-ticket items on hire-purchase or getting a car loan as we become worried about being able to pay that debt. I would like to thank the government for giving me this opportunity to express my feelings and I appeal to you to recognise how important the job security clause and maximisation of our clause in our provisions is because it provides us with rights and conditions. Thank you.

CHAIR: Thank you.

Mr Beak: As the committee can no doubt imagine, our job as paramedics is hard and emotional at the best of times because we see everyday people at the worst points of their lives. Yet despite the emotional roller-coaster we find ourselves on, we are now facing uncertainty about job security, fairness and a voice in the workplace. With the removal of these clauses from our industrial instruments with little to no consultation and at the stroke of a pen, it appears that ambulance employees are no longer a valued asset to Queensland; we are simply numbers on seats. If the key performance indicators of these changes to our industrial framework were to devalue, demoralise and ultimately demotivate the most trusted profession in Australia, they are 100 per cent on track. Our jobs are hard enough without having the increasing pressure that these changes have put on to us. So on behalf of ambulance employees of Queensland, I ask that you reinstate these safety and security clauses in our industrial instruments.

CHAIR: Thank you, and I thank the three of you very much for attending today.

Ms Mohle: I am secretary of the Queensland Nurses' Union. Appearing with me today are QNU industrial officers Vonnie Semple and Lorin Booth and QNU research and policy officer Dr Liz Todhunter. Today I ask the committee to restore the industrial rights and entitlements of Queensland's public sector nurses and midwives by recommending the passage of the bill through parliament with the amendments we have put forward in our written submissions. Of most concern to us is to conclude any further modernisation of the Queensland Health Nurses and Midwives Award—State 2012. In the first instance we have requested that the award modernisation process cease. In the alternative, the QNU requests that the nurses and midwives award be deemed modern and thus exempt from the requirement to be modernised in accordance with the amended act. As you will be aware, we commenced the very difficult and time-consuming process of modernising this award in 2014 under the direction of the Queensland Industrial Relations Commission. This was despite the fact that the commission had only just made the award in 2012 following extensive negotiations and hearings and ultimately by consent of the parties. The previous health minister assured us that award modernisation was not an exercise in reducing entitlements, yet the reduction and removal of hard-fought-for entitlements was the reality of the discussions with Queensland Health.

As the committee would be aware, enterprise bargaining cannot be concluded under the current act until the relevant award is modernised. A decision was made by the LNP government to delay the finalisation of the modernisation of the nurses and midwives award until December 2015. Clearly the decision to extend the award modernisation process was a political one by neutralising any political industrial disputation with the QNU in the lead-up to the state election. The postponement of the award modernisation saw the extension of the current nurses and midwives certified agreement and prevented the negotiation of a new agreement until 2016—a delay of 12 months. It was extremely disappointing and disrespectful to the members of the QNU that the former minister chose to take this action without any consultation or negotiation with the industrial representatives of nurses and midwives. In our view, there is no reason to continue modernising the nurses and midwives award, particularly if such a process continues to see the stripping back of conditions and delays to negotiations of a new agreement. It is important to our members that we are free to dedicate our resources to holding constructive discussions with Queensland Health to progress enterprise bargaining. Having to resume the process of modernising the award may well have the effect of delaying negotiation of a replacement certified agreement again, a situation nurses and midwives employed by Queensland Health should not have to tolerate. We conclude by stating how pleased we are to see the word 'fairness' has returned to the industrial relations landscape and we will continue to pursue this concept in our future dealings with the new Labor government.

CHAIR: Thank you.

Mr Borg: The CFMEU welcomes this opportunity to make submissions before the committee today. Broadly, the CFMEU endorses the position put out in the bill. The CFMEU is a major union amongst blue-collar trades and non-trades classifications in local government and in state public sector employees and has been at the forefront of campaigning for its members' workplace rights, particularly through its local government rights at work campaign which was a community based campaign aimed at raising awareness about the changes to industrial laws made under the former Newman government since 2012. The CFMEU commends the government on acting swiftly to restore fairness to the industrial relations framework here in Queensland not only through this bill but also by suspending the award modernisation process initiated by the former government and moving to roll-back the changes made by that government under this bill.

I want to make a point in particular about the disproportionate effect the Newman government's changes have had on regional Queensland given that in regional Queensland there is a higher density

of public sector and local government employees amongst the populations in those areas. Indeed, the former Newman government's amendments, whilst apparently grounded in ideology, have had a ruinous effect on communities and economic development in regional Queensland. So it is in that vein that the CFMEU supports this bill as a first step in restoring fairness to the industrial relations framework in Queensland. For the present purposes, the CFMEU notes the worthy objectives of the bill in terms of restoring fairness for government workers by reinstating employment conditions for government workers that were lost under the Newman government and restoring the independence of the Queensland Industrial Relations Commission in determining wages cases. It is imperative that the Queensland Industrial Relations Commission acts and operates at arm's length from government and not have to take at the forefront of its considerations the fiscal and strategic budgetary position of the government in determining wage cases. The other objective is returning the commission of course to its position as a layperson's tribunal but also restoring the ability of industrial organisations and their representatives to freely organise and access members so as to enhance and protect their industrial interests, which are absolutely imperative. My submissions are made in the context of repairing the IR Act to the position it was in before the amendments were made by the former Newman government. That is really all I have to say that I could add to the written submissions. There is more detail on it all in there, but given the time constraints I will not propose to continue.

CHAIR: We will have the opportunity to ask you some further questions during this session.

Ms MacDonald: Good morning. I am a local government worker at Mackay Regional Council and have been employed within local government industries for 23 years. To my right is Mark Taylor from Brisbane City Council and our assistant secretary Jenny Thomas from The Services Union. I am a member of The Services Union and vice-president of our local government industry. The Industrial Relations (Fair Work Act Harmonisation No. 2) and Other Legislation Amendment Bill 2013 saw myself and my colleagues lose many valuable conditions from the industrial award I work under—specifically, the loss of locality allowance, fifth week annual leave provisions, job security and major change notification. As mentioned in my written submission, I am a single mother. I struggle each day to assure my children that everything will be okay when I am unsure myself. Losing $18.65 in locality allowance to drop almost $1,000 a year has a significant impact on our family when for years it has been a guaranteed feature of my income. All families have tough times, but for us knowing that I have a secure job gives us the comfort and confidence to get us through and allows me to keep building a future for my kids, but now that comfort and confidence is gone. My work colleagues—my friends—are all experiencing the same uncertainty on a daily basis, some in worse positions than others.

During the recent negotiations under the Newman legislation, for an agreement at our workplace we all saw an unreasonable campaign to drive down our wages, conditions and limit our capacity to be involved in issues that impact our work. But we did not yield. Instead, we stood as a united workforce, sending a clear message to our employer that we will not agree to a certified agreement under current legislation and we will not agree to lose our job security or forego the other conditions the current legislation calls prohibited content. When I first started in the workforce there was a strong push for multiskilling, retraining and redeployment, but it seems that employees are no longer seen as valuable resources to an organisation but more as a commodity where management's attitude is 'easy come, easy go'. This change in management style and attitude results in the loss of high-quality employees who often take with them years of skills, knowledge and expertise. We are more than just a commodity; we are everyday people with families and mortgages to pay, just like you and your family. We all love our jobs. Our community have and always wanted our councils to succeed and to be financially sustainable. For years we have participated in bargaining processes, given up or traded off certain conditions and accepted lesser wage increases to have a set of conditions that provide us with security and the right to be treated with respect and to have dignity at our work. That was taken away from us under the Newman changes and this bill before parliament returns those rights to us and allows us as employees to generally engage with our employer to negotiate terms that are fair and agreed once more, not forced upon us with no say. I thank you for your time.

Ms Allen: The AMWU supports the legislative amendments to restore fairness to the Queensland industrial relations system. As is outlined in our submission, the vast majority of our members employed in the Queensland industrial relations system work in local government entities. The terms and conditions of employment for local government employees have been significantly impacted, reduced and indeed eroded under the LNP Newman government changes to the legislation. Local government employees are hardworking and community minded and are some of the lowest paid employees in the state.

It defies logic and fairness as to why this group of employees, who provide essential services to communities throughout the state, were subject to such ferocious attacks by the Newman LNP government. The three case studies detailed in our submissions relating to the loss of allowances, the reduction in take-home pay for weekend work and the loss of entitlements when recalled back to work are by no means an exhaustive list of reductions in employment conditions suffered by employees engaged in building, engineering and maintenance work under the making of the Queensland Local Government Industry Award—State 2014. These are simply illustrations of the impact that award modernisation has had on hardworking Queenslanders. These case studies demonstrate the strong, compelling and unequivocal case for the commission to consider varying the Queensland Local Government Industry Award—State 2014 in relation to the premodernisation provisions not sufficiently contemplated and reflected in the modern award for building, engineering and maintenance employees.

The AMWU also strongly the supports the power given to the commission to increase the number of relevant modern awards covering the industry. The case studies in our submission clearly evidenced the disadvantage suffered by the occupational grouping of building, engineering and maintenance employees by virtue of the making of one modern award. As you would be aware, award modernisation in the local government industry area conflated 39 awards into one. That simply could not result in anything other than disadvantage.

The premodernisation award provisions that have been developed over decades for engineering, building and maintenance employees are unique to this occupational grouping. Essentially, what had happened is, because they were an important yet small group of individuals or workers in that area, their premodernisation provisions were not reflected appropriately in the modern award. On this basis, the provision facilitating the revisitation of the number of awards for local government is necessary to ensure that proper and fair award standards are set for local government employees in building, engineering and maintenance. We hope that the committee seriously considers the submissions that we have made. Thank you.

CHAIR: Thank you very much to all of you. I will just go straight to questions now. I have a question for all the participants today regarding the dispute resolution procedures. Clause 9 requires that a dispute resolution procedure be included in an award over a dispute resolution clause being prescribed by regulation. The Queensland Law Society submission considers that there is significant merit in a standard dispute resolution clause being adopted across modern awards, particularly in terms of costs and time. Could I ask each of you what you consider to be the advantages and disadvantages of the proposed amendments?

Ms Mohle: The Queensland Nurses Union did not provide specific comment in relation to that particular issue. I do not know whether any industrial officer would like to make any comment about the standardisation of process?

CHAIR: If people would like to take this on notice, it is an issue, as I have said, that has been raised by the Queensland Law Society. We would be interested in your views on that. Is there anyone who would like to speak to that today or would you be willing to answer that, or take that on notice and get back to us?

Ms Thomas: We have a pretty much standard type of dispute resolution clause in all of our enterprise bargaining arrangements in local authorities and they are pretty standard. They are a step 1 to step 4 situation. I have not seen the detail of what that might be, but in terms of steps and a way forward for procedures, it might be something that is okay, that we could have consideration of.

CHAIR: We will point out to you the reference of the Law Society submission and then we will see if we can take that on notice.

Ms Thomas: Yes, we can do that.

Mr CRANDON: Madam Chair, I was actually back on page 17 wondering what sort of consultation and so forth and I was preparing for a follow-up question to that and you jumped further forward. So can I just come to the question that I was going to ask? It is around the consultation issue. I am assuming that there were commitments made to each of the unions by government prior to the election. There would have been conversations going on and so forth as to where you were with all of that. Part of that conversation, I think, would have been around—and I am doing some assumptions here so if you shake your head, that is fine, I do not mind—some of the commitments were around access to employee records, access to new employee records as they come on board if they are not union people when they first arrive and the capacity or the requirement for you to receive all of those employee records. My question really comes to the issue—and it is to each of you—of what type of systems do you have in place in relation to the security of that very private information that you are

given by the employers that you are involved with. So if each of you could give me a response to that particular question, or say you did not have any discussion—whatever way?

Ms Mohle: I will kick off first. The Queensland Nurses' Union did not have any specific discussions in relation to that matter prior to the election. With regards to privacy provisions, we have very stringent privacy policies and procedures in place for our systems at the Queensland Nurses' Union.

Mr CRANDON: Okay. Could you just expand on that a little bit? Tell us how it is protected.

Ms Mohle: It is protected in terms of who has access to that information but also in terms of the regular systems. We absolutely guard our information very, very preciously. We do not provide that to any external organisation. Indeed, even the Queensland Council of Unions and the ACTU complain about the fact that we will not release information about our membership. So we guard any information about personal information very, very seriously and always have done so and continue to do so. We have very stringent privacy policies, which are available on our website.

Mr CRANDON: Who is next?

Ms MacDonald: I can speak for what happens at Mackay Regional Council. At Mackay Regional Council, we have had a commitment in our previous enterprise bargaining agreement whereby the unions cannot be in attendance at the induction trainings—we have two; a workplace health and safety and a corporate one. However, the manager from HR sends only to myself a listing of people who were inducted and from there all I do is write them a very genuine email just saying who I am, who are their delegates within the organisation and so forth for them to make contact with us. But as for me sharing that information with our Brisbane office, they do not get that information. So that is what happens directly on the ground at my council, at the Mackay Regional Council.

Mr CRANDON: And you are happy with that?

Ms MacDonald: Yes. It has worked well. People will get in contact with me personally—my number is down there—of they will get in contact with others. If they wish to become members and so forth, they fill out the appropriate forms. They send that away and that process occurs in Brisbane and so forth.

Ms Allen: I cannot make any comment in relation to consultation. I am an industrial officer with the union; I am not an elected official. In terms of privacy provisions, we are like the Nurses' Union and I imagine every union here. We have very strict privacy protocols and adhere to all of the relevant provisions around privacy. Aside from that, I cannot say anything else. The role that I play in the union is as an industrial officer. I do not have that much to do—

Mr CRANDON: So you do not have access to the information?

Ms Allen: No.

Mr CRANDON: Okay.

Mr Clifford: I concur with the AMWU and the Nurses. It is the same response.

Mr CRANDON: Do any of you have access to that information?

Ms Turomsza: No.

Mr Borg: The CFMEU is extremely vigilant about private information, especially of our members. I do not have anything further to add, other than we, of course, have systems in place which guard our information—our private information of individuals, that is. I do not know what else to add in relation to that.

Mr CRANDON: Consultation before?

Mr Borg: The consultation? I will have to take that on notice, I am afraid.

Mr CRANDON: Could you?

Mr Borg: Yes.

Mr CRANDON: Okay. If you could provide us with that. Is that okay, Madam Chair?

CHAIR: Yes. That is fine.

Mr CRANDON: In fact, anybody who did not answer the consultation aspect?

Ms Thomas: I am happy to answer that. We spoke specifically in the lead-up to the election only in relation to the amendments to this bill. That was the importance for certainly our membership, for local government, that we were about restoring rights for local government workers. There were no discussions about right of entry, or about access to inductions. We would deal with that locally with our employers in terms of councils and we have some of those provisions in enterprise bargaining agreements already or policy. It only relates to their information at work. It is nothing to do with their

personal situation and their personal details; it is only their workplace details about what job they might have at that council.

Mr CRANDON: I thought the unions were going to be able to photocopy pay books and things of that nature—am I misled led there—in the new legislation?

Ms Thomas: If you do a time and wages inspection, we have always had access to do that, none of us actually—I do not think that our union has ever done one. In terms of access to workers, it is a general concept but, of course, we would like the opportunity to meet workers, both existing workers as well as new workers, and then ultimately it has to be about how you engage with the workforce about those matters, about what might be occurring at work. It is not about time and wages inspections, I do not think, really.

Ms Mohle: In terms of the technical side of things, it is not about that. We do have access to time and wages records.

Mr CRANDON: Well—

Ms Mohle: Unions do.

Mr CRANDON: No, I am sorry. I heard a response over here, 'No'.

Ms Mohle: No, but the issue is what we want to see is a return to a collaborative industrial relations framework. That is what we had. We had never had a situation, in my time working at the union, anyhow, where we were in dispute even about accessing workplaces, even getting into the workplace. It is absolutely essential in health care that you have a framework that is predicated on collaboration and cooperation. That is what we want to return to. We do not want to have the adversarial position that we have had for the last three years, where the union and their activities have been demonised in the workplace. We want to get back to the fact that there are so many challenges in health care that we are up to solving with government and that is the framework that we want—one where we can work together to solve problems collaboratively. That is the system that works very well in health care and that is one that our members are very committed to engaging in. That is the important thing here. It is about fairness and respect and treating the workers in the workplace with respect and their legitimate representative unions with respect. So I think it is about a philosophical approach to industrial relations. We want to see that change whereby it is not an us and them, that it is not an ideological debate, but it is about us working together to solve the challenges that confront all the industries.

Mr CRANDON: Do the employees want to be part of the union? How do you deal with non-union member wages and so forth?

Ms Mohle: I can only speak on behalf of the Nurses' Union. In the public sector, we have well over 90 per cent of nurses and midwifes members of the union. We do not force anybody to join the union. Of course, people have a right to not join a union if they do not want to. We offer a very good-value proposition, though, not only for industrial but professional representation for members.

Mr CRANDON: Do you have access to the wage and time books for those who are not members of the union?

Ms Mohle: We would not want to be looking at those. We seek that on representation on behalf of members—if a member has been underpaid an entitlement and the like. But through access to time and wages, you could have access to that, but we would only seek the information on representing our members. For example, in the last 12 months we have recovered close to $5 million of unpaid entitlements on behalf of our members and the financial year has not even ended. So that is what we are concentrating on doing—actually making sure that our members get the entitlements that they so rightly deserve. So we focus on members, not nonmembers or potential members.

CHAIR: If I could just take that point? Kate, for instance, you were referring to sending out an email when people have joined your workplace.

Ms MacDonald: Yes.

CHAIR: You send that out and whatever comes back to you, they are the people who you—

Ms MacDonald: That is right. When I have meetings around the district—and as you can imagine Mackay is from Midge Point all the way down to Ilbilbie, basically—everyone is invited. We have an attendance sheet, yes, but, that is not used for anything else. So when I need to go back, if someone has asked me a question, I can refer back to that and go to that person. But at any of our members' meetings—and we do call them members' meetings—they are encouraged for everyone to attend, because everyone is a potential member and everyone still has the same interest, basically. We still want to be consulted. We still want to be communicated with, yes.

Mr WALKER: Can I ask something just to do with that particular issue at an appropriate time?

CHAIR: Yes, absolutely. I think Michael may have—

Mr Clifford: Just in relation to the time and wages issues and employee records as opposed to member records, I think there is value in seeing employee records to ensure that people are being paid correctly. Unions have had a role since day dot to protect the interests of all employees. It is a big debate in the union movement about why resources are put into awards and things when, in fact, the beneficiaries of those things are people who are not members of unions.

The reality is that there has always been a role to ensure that people's rights are improved right across the board, be they union members or not union members. In a previous incarnation in an old union role of mine at a time in the federal jurisdiction where we would have time and wages inspections, you would inspect the records of union members and non-union members. If you found something wrong with a person who was not a union member you could talk to that person and say, 'We think there's a problem here with the way you're getting paid.' Now again they do not have to join the union but you can at least alert them to the problem. The other issue we have got, and again this is in the federal jurisdiction so it is not a Public Service issue, but at this very moment we are dealing with an employer who has a fairly appalling record in terms of the way that they treat their employees and paying people cash in hand and no penalty rates et cetera et cetera. People are extremely fearful in that place of joining the union so you have very few members yet you know that there are rorts going on. It is similar sort of stuff to what we saw on *Four Corners* a few weeks ago. We think that there is a role for the union to ensure that people are paid correctly and that their conditions and rights are honoured. In that respect I think there is a role for the union movement to be seeing not just member records but employee records.

CHAIR: I will go to Ian and then Katelyn.

Mr WALKER: I wanted to follow up on the issue of new employees and their details going to the union and in particular Ms Mohle's comment that we need to treat people with fairness and respect. I am wondering whether anyone at the table would have an objection to fairness and respect for somebody who does not want their information to be passed on to the union—to opt out of that? If I was a new employee, saying, 'Look, I'd rather not. I know the great things the union does, but I don't want to be part of it.' Does anyone have an objection to an amendment to the legislation that would allow people to opt out of that provision?

Ms Mohle: Speaking on behalf of the Nurses' Union, I would not have a problem with that.

CHAIR: Would anyone else like to comment on that?

Mr Clifford: It depends on how the opt out happens. That would be my only query. If somebody has a genuine objection to talking to somebody from the union then you would respect that. My concern is how an opt out happens, because there is an imbalance in the employment relationship. If an opt out provision is done in such a way where somebody could be pressured to opt out—there are ways that people give across an expectation that, 'We don't really want you to be in the union; we don't want you to be talking to somebody from the union', that would be my concern about that process. If there are names provided and you can approach somebody, at that point they can opt out; they can say to you right there and then, 'Actually, I don't want to have this conversation. I am not interested in joining the union, thank you very much.' Union organisers are quite used to that sort of a response.

Mr WALKER: There might be someone who does not even want to have that conversation, an employee.

Mr Clifford: Again that would depend on how the opt out happened. My nervousness would be around how genuine the opt out process is, whether there is some pressure brought to bear on people to opt out or they get a sense that there is an expectation that this is not something they should do.

CHAIR: Before I go to you, Katelyn, I think Jenny indicated she would like to answer that question too.

Ms Thomas: Absolutely. Particularly in local councils where we are community focused, there is an approach in terms of being able to talk in the workforce. For most people it could be their first type of job in that situation where they can see that it is a collective bargaining arrangement and most people do not understand the process or that there is a union and in terms of those structures. I would also have a grave concern about a situation of opt out because quite frankly when you actually just go and talk to workers they will tell you straight away in the first conversation whether they want to have that conversation with you or not and I can say 90 per cent of those conversations are positive and they want to know information and they want that feedback and they want it from their employer and they want it from their delegates and they want it from their workforce. They are happy to gather

information from a range of players to make an informed decision about what might be the current event of the day. In a situation where we are having an opt out situation, I can tell you it will be done when they are getting a letter of offer or at an induction that is driven by the employer and most people in that situation will feel pressured to tick that they opt out of that situation without even understanding the landscape at work because it could all be done within the first day that they are there and they would not have a clue in terms of if we have a collaborative situation or we are working together on something in our community, that we do all the time in our workplaces as well. We are not in situations where we are in conflict at all times. There can be times through bargaining where we have to have some of those tough discussions but largely it is in collaboration, we are all working together, we deal with natural disasters in our communities, we all tend to be the mums and dads of our communities, all still running P&Cs and so on. Most people will have that honest discussion with you and if they say no you just let it be. That is how we generally deal with business in terms of that question about engagement and involvement if someone really has a particular objection to that and we should be able to competently deal with that

CHAIR: We have a range of issues that we want to talk to you about this morning. Probably any one of them we could take up this entire situation actually discussing. We will be following up this section with written questions as well, and we have already had question on notice, so forgive me if I am not going to be able to give you all the time you would like on particular issues. I would like to finish up on this particular issue. Katelyn, you indicated you would like to say something and then I might move on to Verity.

Ms Allen: Thank you. Just in relation to Mr Crandon's question before and my response, I thought you meant unfettered access to people's personal records. Of course, my union accesses lawfully time and wages records of employees where there is a reasonable suspicion of a breach of an industrial instrument.

Mr CRANDON: Whether they are a union member or not.

Ms Allen: No, generally as a union member, as the other unions have outlined. Obviously if it is a comparative nature that can happen. We are largely in the federal jurisdiction, however. I just wanted to clarify that.

Miss BARTON: I just had a question for the Queensland Nurses' Union. In the lead-up to the election the then opposition leader announced that there would be a nurse-to-patient ratio. I just wondered if you could assist me, do any of the provisions in this amendment bill facilitate that nurse-to-patient ratio and, if so, could you help me with which ones those are?

Ms Mohle: In the previous legislation it was not allowable content to have any clauses in relation to workload management. We were particularly concerned about that, the fact that we would not have the ability to even enforce workload management provisions that exist now which is the current existing tool. It is called the business planning framework. So that was a big concern that we had about the current legislation as it stands, the fact that that is not allowable content. That is a particularly important issue for our members because across all sectors, not only in the public sector but private sector and aged care, the No.1 issue of concern for our members right now is the quality of care that they are able to deliver and inappropriate workloads and skill mix. That is impacting upon our members across all sectors. That is why we have launched the Ratios Save Lives campaign, not only for the public sector but across all sectors. The provisions of the current act would have stopped us from even prosecuting grievances in relation to the BPF. That was our concern. Hence that is the reason why we launched the campaign in a broader sense: it is the fact that the No. 1 concern of our members is that they are not able to deliver the care that they know they are capable of if only they are provided with the wherewithal in terms of numbers and appropriate skill mix. We will be continuing to campaign about this long and hard across all sectors, not only the public sector.

Mr PEGG: I have a question to everyone generally, anyone who can assist me with it, about the award modernisation process, and if there are any examples of any conditions that might have been lost during that award modernisation process.

Ms Allen: In terms of our members, and this all relates to the CFMEU as well as the plumbers union and the ETU, building, engineering and maintenance employees, as outlined in our submission, have had reductions of a significant nature. One in particular is allowances. Under the premodernisation awards there were scores of allowances and they have been essentially rolled up into one allowance called the local government industry allowance. I have detailed it in our submission. Essentially, not only does that create a situation where it is a lower allowance collectively compared to some individual allowances, it also knocks out your ability, for instance, we have members who work with live sewers. Under the premodernisation award they would receive, for

instance, a confined space allowance which is 75 cents per hour plus a live sewer allowance. Under the local government industry award now they only get one. So it is not only in terms of the reduction of the number of allowances in terms of the quantum, but it also is in relation to knocking out other allowances. Under the engineering award state which our members are covered by, or used to be covered by in terms of local government, there was a long-standing provision that said that you get paid for each and every disability suffered. These are people who do not get paid a lot of money. We are talking sometimes $19 an hour. They are working in live sewers up to their hips, they are in confined spaces, there are noxious gases, and under the local government industry allowance a lot of the things that they were previously paid are no longer there. We also detail in our submission that employees who are scheduled to work on Saturdays used to get paid time and a half for the first three hours and double time thereafter. Under the local government industry allowance they get paid time and a half for the whole Saturday. That might not seem like a big deal, and I know that penalty rates are a contentious issue, but when you are someone who has always not only not been on a huge wage but also relied upon that amount, this is the difference between people being able to put food on their table or being able to pay their mortgage. So there are quite considerable reductions. I am happy to provide further examples to the committee by way of a question on notice because it is a very, very serious issue for blue collar workers in the local government industry. If the premodernisation award is eventually rolled out, because at the moment thankfully only the people who have certified agreements that have been certified under the LNP's provisions, they are the only people who are covered by the local government industry award at the moment, if that goes across the board we are going to have a huge issue particularly in terms of regional Queensland and people being able to afford to live. I am quite happy to provide further economic modelling in terms of some examples because it is a really big issue for blue collar workers.

CHAIR: In fact, it is actually very helpful for the committee to have personal examples when we are asking these questions. If any of the other unions would also like to provide personal examples we would certainly appreciate that assistance. Did anyone else want to comment on Duncan's question?

Mr Borg: There are a whole raft of allowances that were lost for our members. I can go through and list some of them. The first on my list here is in relation to asbestos. If you work with asbestos and so forth there is no more allowance for your exposure to that substance, which is absolutely reprehensible. If I could turn specifically to the construction allowances, there is a whole raft of them here: bagging allowance, multistorey rates, underpinning work on steel and scaffolding, towers allowances, dirty work allowances, employees cleaning bricks, explosive power tools allowances, grindstone allowances, insulation work, first date attendance, labourers mixing wet cement, laying other standard bricks and heavy blocks, leading hand allowance, obnoxious or toxic substances allowance, plasterers in sewers, plasterers top-dressing floors, roof repairs, second-hand timber—so working with that—swing scaffolding, tool allowances and so on and so forth. The list goes on. Frankly, when you are a low-paid worker as it is and those allowances are stripped away, it is a heavy blow to bear.

Ms Mohle: In terms of health care, Queensland Health sought to amend the X-ray and radium and pharmacy allowances which particularly would have disadvantaged members in rural and remote areas.

Ms MacDonald: For officers of local government, we have also had allowances removed altogether. We have had unpleasant working conditions allowances, they have gone. Our biggest thing is locality allowance, that has been removed. As you can imagine, they vary. The state is quite wide so the allowance is different in each location. That has completely gone overnight. We also have, as officers, the current classification structure. An existing employee will receive a current classification rate but new employees doing exactly the same work—we are sitting right beside each, we are doing exactly the same work—are going to be put on a lesser rate. Personally I just cannot see that as fair. We are expected to do the same output; we have the same input.

I will use an example: a level 3 employee at Mackay Regional Council with a level 3 employee sitting beside them, there is a difference of $9,500. I think it is $9,300-and something. That is a true reflection of this two-tiered wage. That is what we call it. As I said, in local government we call it a two-tiered wage: you are expected to do the same thing, but there is a huge difference in rates of pay.

CHAIR: We might move on from that issue. Ian? Pat?

Mr WEIR: This is to everybody: why is it considered appropriate that the commission, in reviewing a relevant modern award, must vary the award to include provision about union

encouragement, union delegates, industrial relations education, leave or trade union training leave, right of entry, prevention and settlement of disputes, including employee grievance procedures and termination, change and redundancy?

Mr Clifford: There is a lot there. I will touch on the union encouragement stuff, which goes to paid leave for union delegates to get training to do their job. We think that that is an absolutely fair and reasonable provision for people to have and they have had it for quite a number of decades. It is important, for people to get proper representation in their workplaces, that they actually receive training to do that. In my mind, it is absolutely appropriate that that also happens in paid time. When we think about all of the things that happen in the industrial field, if you think about it from the employer's side the employer does all of their work around changes to conditions of employment during work time. The departments have meetings about these things in work time. They receive training to do their jobs in the industrial field during work time. If we are to respect employee organisations, I think the same opportunity should be provided there. It should be seen that the things that affect people in their work and their personal lives are issues that should be addressed as part of work and, therefore, their ability to be able to address those things through their trade unions and to get trained properly to provide proper representation to people should happen in work time. I think those union encouragement provisions that provide that are absolutely appropriate.

Ms Mohle: My comment would be: why is it appropriate to seek to remove those as being allowable content from industrial instruments? If the parties agree that those provisions exist, why would you make them non-allowable content? So I would turn the question on its head, if you like. The other comment I would make following on from Mr Clifford's comment is the fact that we provide training to our members as well and it is very highly sought after. Indeed, this week we have a whole lot of managers from Queensland Health undertaking our training, because quite often it is the case that the union provides specialist training on industrial matters and Queensland Health has not got the wherewithal to provide that sort of training. Union training is incredibly important to our members, because it is about rebuilding the collaboration in the workplace that we had had up until three years ago, where we were seeking to, as I said, solve the problems of the health system together.

Mr Borg: I would take you to the principal object of the IR Act, which is to provide a framework for industrial relations that supports economic prosperity and social justice. Without those things you take away that framework. You talk about the propriety of including those things, but how about the propriety, on the other hand, of the QIRC in taking into account, amongst other things, the financial position of the state and the state's fiscal strategy or that of the employer? Talk about the propriety. These provisions have to respond to the principal object of the act, which is to provide this framework. Training, right of entry—all those kinds of things—are specifically about that. Also, it is to do with social justice. I note the question in relation to privacy, as well. Privacy has to be upheld. I do not think the unions go into employee records for the sake of it, but there is this overriding principle that is at stake here and it is freedom of association, namely, for employees to be able to access and join their industrial associations. I know that that phrase has been morphed over the years to include the right to not join your union. However, that is a vulgar stretch, I might say. It really is a right to join your union and to participate fully in your industrial activities. That is a fundamental right.

CHAIR: Would anyone else like to make a comment about that?

Mr Taylor: The modern workplace is subject to a lot of technological change and most workplaces these days go through constant restructures and realignments, and well trained union delegates in the workplace are assisting to resolve problems at the local level. They are resolving problems relating to employees undergoing stress, managers not understanding the processes within the workplace, and a well trained delegate can resolve those issues before they become serious, before there needs to be industrial disputation.

Mr Clifford: One other part of the question went to redundancy payments and redundancy provisions. Again, I think it is an important provision that people should be able to bargain for. In the entire private sector, people have every right to bargain around appropriate levels of compensation if they lose their job. One of the most devastating things that can happen to a worker is to lose your job. It is only right that people should be able to bargain for that in the first place, but it is also right that it should be part of our award provisions as well.

Mr CRAWFORD: I wish to stay on a similar topic in relation to union encouragement, and I asked the same question in the last forum we had. This is particularly to the delegates. Michael, Barbara, Des, Kate and Mark: when you joined the union, and I am going to make the broad assumption that you all joined the union prior to the legislation that came in a couple of years ago,

were you pressured to join the union? As a delegate, how did the legislation over the past couple of years affect you in relation to being a delegate around the union encouragement clauses and that sort of thing?

Ms MacDonald: For myself as a union delegate, and I have been for some 10-plus years, the issue that we have had in recent times is that it is more of a scare tactic from management, even allowing employees the right to have a support person or a union person with them. For me personally, for my career development within council, it has not affected me personally. I have built a good relationship with our CEO, who has been there for only two years. As soon as he commenced, I had a conversation with him. Before I took on the role as VP for local government industry, I had a conversation with the CEO first. Being the VP of local government, there are about three extra committee meetings that I need to attend, et cetera. If the CEO was not on board with that commitment, it was going to be an argument for me and him and management going forward, because of the current legislation that is in play. He encouraged me to become a proxy, but I have now won the position outright this year in our votes. It is about having that relationship. I am a lucky one: I have a good relationship with the CEO. We work together and that is what we have always said. The union is not here to divide and conquer. We are all on the same page. We may come from the left or the right, but we want to make that middle. It is about consultation and communication. Those two C words bind a relationship and those two C words do not exist under the current Newman legislation.

Mr Taylor: I have been a union member at the Brisbane City Council for 25 years. I was under no pressure to join. In fact, I looked for a union delegate myself, because I wanted to know about joining the union. Certainly I was not under any—I don't think that still applies in the workplace. We probably have about 60 per cent of our staff who are members of the union. We have very collaborative working relationships. We have a range of consultative committees that the union is represented on. I often get consulted by my manager when he is considering proposals for change in the workplace. Apart from, as my colleague said, at EBA when it is necessarily a little bit adversarial, generally we have very productive and harmonious relationships. I do not feel it has affected my career negatively. I am very happy with that relationship at Brisbane City Council.

Mr Hardman: I was never obviously pressured to join a union and I was relieved to be asked. Also, as a delegate in the workplace, generally speaking people are happy to receive the information and to know that there is that avenue if they have questions to ask or are looking to others in the workplace for support. I found it very good as far as a collaborative relationship that I have with my manager, being able to work as a union delegate and being able to have his ear on certain issues that affect staff. Of course, how it has affected my life: one of the differences it meant was that I would have to be on a day off work to be able to attend union activity that was going to directly benefit my colleagues at work. The only reason why I would do that on my day off instead of being with my family is that I know that I can take that information back to my workplace and benefit my workplace. I do not believe that it should be like that.

Mr Beak: I cannot remember how I joined the union it was that long ago, so I suggest I was not pressured at all. Prior to the introduction of these laws, the then union LHMU and the Queensland Ambulance Service had an outstanding partnership. With the introduction of these changes, that disappeared. The partnership was to the point that I was on secondment to the union office and I wrote the policy for the Queensland Ambulance Service for their pay-point progression. Operational ambulance officers and emergency medical dispatchers had a front hand in writing a lot of the policies and procedures for the Queensland Ambulance Service that benefitted Queenslanders. Now we are at a stage where we have unscrupulous managers putting the fear of God into employees, who are already scared about job security, and taking advantage of these outrageous and intolerable laws. We have gone from a partnership and a consultation process to what we have now and it is adversarial, like many other union and employer relationships. It is a sad day for the Queensland Ambulance Service, its employees and, ultimately, for the Queensland patients we attend.

Ms Turomsza: I was not pressured into joining the union. I sought out my delegate so I could join in 2005. She left her employment at my school and then I decided to become the delegate in 2005. On the industrial laws that changed in 2011, I personally do not have any stories to tell because my business service manager is on our side, so we consult a lot. I am on the joint consultative committee that is the union, the cleaners and Education Queensland. We have a meeting once a term, so we do have some sort of consultation going on. As far as my personal experience with my cleaners and my work site, I had to do things after school or before our shifts. It made it a little bit difficult for me as a delegate to talk to my members about their issues. That is about it.

Ms MacDonald: Could I add that the Newman legislation grew delegates on its own. We went from having four delegates at Mackay; I have 13 now. It was not that we went out and said, 'Do you want to be a delegate?' They came to us, because of the unfairness of the current legislation. It was definitely not about us going on a sales pitch as a union to get members or to get an increase in our delegates; they were coming to us.

CHAIR: Unfortunately, we will need to keep moving. We have time for only two more questions and I would like to ask one of them, because it is something that has been raised a bit in the submissions. It is about the return of the QIRC to its status as a layperson's tribunal. There has been some discussion in the submissions that, in fact, it has been a considerable time since the QIRC has operated as a layperson's tribunal and that unions have, in fact, highly qualified people who appear before the commission, and there is some trend in the submissions that an individual employee or ex-employee or someone who is a non-union member may be disadvantaged. Could I get some comment on that, please?

Ms Allen: I have appeared in the QIRC for the last 13 years. I have definitely seen, not only in the state system but also in the federal system, a trend towards a far more legalistic approach. I do not think that that is good for anyone—unions, employer organisations or individuals—who may wish to appear by themself.

To be frank, I think one of the biggest issues with the QIRC is the highly bureaucratic way they run that jurisdiction. I think that creates some dramas not only for people who are highly experienced advocates but also for people off the street. I think it would be very hard to be able to work out the minefield of some of the approaches that they take.

I think it is important for any jurisdiction that deals with industrial relations that it needs to be done on the basis of people sitting down in a collaborative manner, as we have been talking about today, to resolve matters. Essentially, the employment relationship, no matter what side of the political spectrum you are on, does inherently have disputation. That is the nature of the beast.

So I do think that if there are considerations by this parliament in terms of the way that the QIRC works that it is important to look at the foundation as to why such a jurisdiction should exist. It should be on the basis of allowing all parties to go to the QIRC or whatever the jurisdiction is and to resolve the matters hopefully in the first instance through conciliation. No-one wins in arbitration in my experience. We need to make sure that we have a rigorous process where people sit down and try to resolve issues between themselves. Obviously, arbitration is the last avenue.

CHAIR: Would anyone else like to comment on that point?

Ms Mohle: I will hand over to our industrial advocates who are used to appearing in the Queensland Industrial Relations Commission, because I am not.

Ms Booth: Our only comment would be that the advantages of a laypersons tribunal is that when you start getting lawyers—and you often then get a solicitor then briefing a barrister—you see the real decision-makers, the people involved in the issue, becoming quite removed from its resolution. That certainly does create barriers to resolution, particularly in the conciliation context. It sees issues becoming legalistic quite quickly, and overly legalistic quite quickly. Certainly, it would be our view that the parties are best able, with the assistance of the commission, to resolve matters when those people closest to the problem are able to be part of the resolution. When you start getting layer upon layer of legal representation it limits the capacity of the tribunal to assist the parties to find a resolution.

CHAIR: Is there anyone else who would like to make a comment?

Ms Semple: I would like to add something. The industrial commission was always a laypersons tribunal for a reason. That was that it was accessible by workers and their representatives without having to pay exorbitant legal fees. The reality is that if one side of the dispute gets legal representation, which means solicitors and then a barrister, it is almost a requirement for the other side to then enter into an arrangement with solicitors and barristers too.

I have been going before the Queensland Industrial Relations Commission for 25 years now. In the past, experienced lay advocates from either side—whether they are employed by the union or employed by the employer—would deal with these things in a fairly efficient, effective and cheap way. Whereas once you get barristers and solicitors involved the cost is exorbitant.

Mr CRANDON: I have a follow-up question on that. I take your point, Katelyn. You mentioned employers and unions. You are talking about everybody. There are individuals in the workforce who are not part of a union. If they are in dispute with their employer how do they go up against their employer? Are you supportive of them having the support of whomever it is they need to match—

Ms Allen: We all acknowledge that people have a right not to be a union member, but I think the simple fact is that if you go and have a look at the listings of either the QIRC or the federal jurisdiction that the vast majority of matters are brought by unions on behalf of their members or vice versa. I do not have any personal experience of that because I work for a union. I do not know what happens with individuals. I think that if you have commissioners who are willing to conciliate and conciliate properly, no matter the make-up of the individuals in a dispute, that that should be workable. I certainly think for the vast majority of people that probably one of the benefits of being a union member is that if you are a normal worker on the street you are not even aware of your rights and whether or not you have been underpaid.

Mr CRANDON: The reason I bring that up is that we had a submission from the Bar Association which outlined that they have seen instances where people needed support are on their own so to speak. That is the reason I brought that up. In their argument, everybody should have the right to—

Ms Allen: I think what Ms Booth is saying is absolutely correct. With the greatest respect, if you get lawyers involved it becomes less about the dispute and, to be honest, more about the economic interests and layers upon layers of legal representation. I think it should involve the people on the ground and not people who are advocating on behalf of someone else.

Mr CRANDON: Are your advocates briefed by lawyers and barristers?

Ms Allen: In some instances, but normally only in more superior courts.

Mr CRANDON: Are your advocates briefed by lawyers and barristers, Ms Booth?

Ms Booth: I speak as an advocate. No, I am not briefed by solicitors or barristers. Where legal advice of a complex nature is required we may seek that advice. Certainly, in the majority of cases, particularly at a conciliation level where we are seeking to resolve a dispute, we do that in consultation with the members and organisers involved in that dispute. We do not want it to become an issue of legal semantics. We do want it become an issue about practical resolution.

CHAIR: Can I just clarify something. I understand that under this legislation consent can still be given for legal representation to be made available under any circumstance considered by the commission to be necessary, is that correct? Michael, were you going to add to that?

Mr Clifford: The only thing I was going to add is that the critical point about making it less legalistic is the access issue that has already been raised. People have talked about needing it to be practical. One of the reasons it needs to be practical also is that industrial disputes, unlike some other disputes in legalistic forums, are of a nature where the parties then have to go back and work with each other again. It is that ongoing nature of the relationship that makes it important that we reach practical outcomes.

Ms Mohle: This provides another compelling reason to join a union.

Mr Borg: I just wanted to add to that the policy of union discouragement. If there is a policy of union discouragement—as there was under the previous government—you will confront that problem. People will rock up at the QIRC unrepresented. This goes back to the comment that I was making earlier on about unions being part and parcel of the framework of the industrial relations system. We are great enablers, as it were.

CHAIR: We do need to move on. I think Verity has one more question.

Miss BARTON: I have one quick question to the two Michaels. With regard to ambulance officers in this state and their membership of United Voice, I was wondering—and you may need to take this on notice in terms of the numbers—whether you are able to provide us with the percentage of Queensland ambulance officers who are members of United Voice and whether or not there is another organisation that is representative of them? I am conscious that we want to be able to give all organisations that are representative of ambulance officers an opportunity to be heard on this. Is there another organisation that is representative of ambulance officers in Queensland?

Mr Clifford: I might ask the other Michael to answer that because it is not my area.

Mr Beak: I am not aware of the actual membership numbers so I will take that on notice. By representative of another organisation, what do you mean—

Miss BARTON: Is there another organisation that advocates on behalf of ambulance officers in Queensland?

Mr Beak: There is another organisation that does have membership of ambulance officers and ambulance employees. As for advocating, I am not aware of exactly what they do in their day-to-day—

Miss BARTON: For the benefit of the *Hansard* record, are you able to name that organisation? I am conscious that we should give them an opportunity—

Mr Beak: APAQ—the Australian Paramedics Association Queensland.

Miss BARTON: And that is the only other organisation?

Ms Mohle: Are they appropriately industrially registered?

Mr Beak: No, they are not. As far as I understood they put in a submission to be industrially registered. For some reason, that has fallen by the wayside. Even on social media and in any other information from them there has been no explanation as to why that has not occurred.

Miss BARTON: I just thought there was another organisation that represented emergency services personnel in Queensland that was all.

Mr Beak: In terms of emergency services personnel, I am not aware.

CHAIR: We can explore that if we need to. I am very sorry but the time for this particular part of the hearing has expired. There are a number of other issues we would like to come back to you on. There are some questions on notice that we have raised today. I ask if you could have your responses back to us by 5 pm tomorrow, please. Some of the questions we may ask will be on the basis that they are issues raised by other stakeholders and we are keen to get your opinion. We have raised some of those today, but there are further ones. Thank you very much for your attendance. We really appreciate your assistance. It is the wish of the committee that the evidence given before it be authorised for publication pursuant to section 50(2)(a) of the Parliament of Queensland Act 2001.

BUDDEN, Mr Shane, Manager, Advocacy and Policy, Queensland Law Society

FITZGERALD, Mr Michael, President, Queensland Law Society

MURDOCH QC, Mr Jim, Bar Association of Queensland

CHAIR: Good morning, gentlemen. We will now resume the public hearing of the Finance and Administration Committee's inquiry into the Industrial Relations (Restoring Fairness) and Other Legislation Amendment Bill 2015. I am Di Farmer, the chair of the committee and the member for Bulimba. The other members of the committee are: Mr Michael Crandon, who is the deputy chair and member for Coomera; Miss Verity Barton, the member for Broadwater; Mr Duncan Pegg, the member for Stretton; Mr Pat Weir, the member for Condamine; and Mr Craig Crawford, the member for Barron River. Visiting the committee today is Mr Ian Walker, the member for Mansfield and the shadow Attorney-General and the shadow minister for justice, industrial relations and the arts.

The purpose of this hearing is to receive additional information from submitters about the bill, which was referred to the committee on 7 May 2015. This hearing is a formal proceeding of the parliament and is subject to the Legislative Assembly's standing rules and orders. The committee will not require evidence to be given under oath, but I remind you that intentionally misleading the committee is a serious offence. Thank you for your attendance here today. The committee appreciates your assistance.

You have previously been provided with a copy of the instructions for witnesses, so we will take those as read. Hansard will record the proceedings and you will be provided with the transcript. This hearing will also be broadcast. Could I also remind witnesses to speak into the microphones.

I remind all those in attendance at the hearing today that these proceedings are similar to parliament to the extent that the public cannot participate in the proceedings. In this regard I remind members of the public that, under the standing orders, the public may be admitted to or excluded from the hearing at the discretion of the committee.

We are running this hearing as a roundtable forum to facilitate discussion. However, only members of the committee can put questions to witnesses. If you wish to raise an issue for discussion, I ask you to direct your comments through the chair. I also ask that mobile phones be turned off or switched to silent mode. I remind you that no calls can be taken in the hearing room.

The committee is familiar with the issues you have raised in your submissions and we thank you for the detailed submissions that we received. The purpose of today's hearing is to further explore aspects of the issues you have raised in the submissions. I would now like to invite each of you to make a brief opening statement if you wish to avail yourself of the opportunity. The committee has a number of questions it wishes to put to you and there will be a chance for you to make additional points during the hearing. I ask that you limit your presentation to three minutes. As we discussed, you have had the benefit of sitting through the previous session where a number of your issues may have been discussed as well, so we look forward to your input on those. I invite the Bar Association to go first.

Mr Murdoch: We have put a submission in on a fairly discrete area of the proposed legislation because the association does not involve itself in the more ideologically based debates in terms of the industrial entitlements or union encouragement. However, on the matter of representation of parties in the commission, we have quite strong views. It is a fact that there are a significant number of persons employed by the state government and by local authorities who are not union members. Why they are not union members probably varies from individual to individual. Statistically, I think there was mention earlier that there is 60 per cent union membership in the Brisbane City Council. We think nationally union membership in the public sector is about 40 per cent.

There are situations, particularly with the state government, where ex-employees sue the state government for unfair dismissal, and they are seeking either compensation or reinstatement. In those circumstances, it is not realistic to suggest that it is a level playing field where you have the dismissed public servant going along to be a self-represented person. If, for example, it is a worker employed by RoadTek who is fired, I think you could bet odds on that RoadTek will not be represented by the depot foreperson. It will be someone from head office, from HR—someone who is very well qualified. The imbalance is quite silly, frankly, in any debate about there being a level playing field.

The position has been in the QIRC now for quite a long time that persons who are involved in that non-union sector at least can get representation by a solicitor or a barrister if they see fit. There

are some restrictions on that. There is a discretion involved. If anything, we would like to see the impediments removed.

CHAIR: Thank you. Michael?

Mr Fitzgerald: Thank you, Madam Chair. It is good to be back before your committee, although I was not expecting it to be so soon.

CHAIR: It is lovely to see you, Michael.

Mr Fitzgerald: As you might expect, our principal concerns are around changes to legal representation. As we have indicated in our submission, the state of Queensland, statutory agencies, local authorities and unions will be able to be represented by employees who are either legally trained or accomplished industrial advocates while non-union employees—and these are a large group—will be denied such a right when those opposite are provided with the benefit.

The committee should realise that if the legislation remains as it is it is not inconceivable that what may occur is that lawyers will begin playing a role in proceedings as what is known as a 'McKenzie friend'. A 'McKenzie friend' is a longstanding common law principle from the courts. It is a person who attends the courtroom or tribunal, sits beside a party and assists the party with the conduct of the case. While the lawyer would not be authorised to make submissions, they could prompt their client, give advice or make suggestions—in the 1831 English case of Collier and Hicks, where the court held that any person could attend the court as a 'McKenzie friend' regardless of whether he be a professional man or not.

Also, the procedure outlined in the bill for seeking legal representation, as has been shown in respect of the Fair Work Act, results in additional cost to the running of matters and jeopardises the administration of justice. My colleague Mr Budden can give an example of what happens when legal representation is denied in tribunals. Also, I heard in the last session there was a statement that the legislation permits lawyers to appear with the consent of the parties. As my friend Mr Murdoch and I said when we saw the legislation, we live in the real world and the chances of getting consent are probably negligible.

CHAIR: Thank you. If you can be very quick, Mr Budden.

Mr Budden: Yes. To give you a little bit of background to illustrate what I am about to say, before I came to the Law Society I spent 22 years as a lawyer, as basically what people would call a trial lawyer. I have seen this attempted three times now. The Queensland Building Tribunal tried to be a lay tribunal. Its replacement, the CCT, tried it and QCAT tried it. Within six months each one of them had gone back to pretty much granting legal representation all the time. The reason for that is that the tribunal members rely a lot on at least one party being represented.

The other thing I should point out is that you will probably still get a lawyer there even if you do not have legal representation. Michael has talked about the 'McKenzie friend'. Also what people tend to do is they will employ a lawyer in a decision-making role and they will adopt the decision. I have seen this happen before when the CCT came in. With the QBSA—I was then managing a legal group there—we were concerned that we would not be able to have legal representation. The procedures were changed so that lawyers could adopt decisions. They would be the decision-maker. They would be standing there and the home owner denied legal representation or the builder denied legal representation would be facing an experienced advocate. The reality of the situation is that that is what is going to happen. You are going to end up with lawyers there. It is a good thing because lawyers actually reduce the amount of dispute.

I have certainly discussed this directly with the president of QCAT who has at least said to me that he would like to see more lawyers before him. They simply help the tribunal get through. If you have legal representation there, you will have all the evidence you need to make the decision and you will have some guidelines and submissions made. It is going to assist the QIRC to have these people there. As I said, even if the legislation says you cannot have legal representation, I think inevitably you will have lawyers in the tribunal either because it is granted after an application or because the decision-maker themselves will be lawyers. What all that does is it adds in an extra step. Their application for legal representation takes up some time in the tribunal. They take submissions. If it is then granted, you have just delayed the actual addressing of the real issue.

CHAIR: Thank you very much. We might go through the questions but you have probably answered a range of things. Can I ask both the Bar Association and the Law Society to comment then on some of the matters that were raised when you were here in the room previously in terms of the unions response to this. One was, and I paraphrase here, that just allowing legal representation as a given significantly ups the ante that you are talking about, with solicitors and then barristers being

briefed. They felt it should be as much as possible brought back from there. Could I also ask you to clarify your comment, Michael, around the issue of consent, that you felt that consent for legal representation would be rarely given. Can both of you comment on both of those matters?

Mr Fitzgerald: I could comment, although I think Jim could probably give you more recent examples because I do not appear in the industrial tribunal. I am told by our members that if consent is sought in various tribunals often if a party is not legally represented—so there is an industrial advocate or a lawyer representing the particular body—they will not necessarily, as part of the tactics, agree to consent to the other party being represented.

CHAIR: Jim, would you have any figures on how often that would occur, that if it is sought it is actually rejected? Would you be able to give us any advice on that?

Mr Murdoch: I appear predominantly in federal jurisdiction matters but occasionally go to the QIRC in the state Industrial Court. I have had a few instances where I have sought to appear but consent has been denied and I have been unable to. I must say the one that particularly irks me was a case where the other side was one of the unions that was at the table here before and their advocate was legally qualified, and their legally qualified advocate came along and said, 'I object to legal representation.' These days I think in Queensland we have six law schools. They churn out enormous numbers of lawyers each year. A fair percentage of them find their way into the labour movement and the union movement. They go on staff et cetera. These folks sometimes have advocacy roles, and that is great. But it is somewhat artificial then when folk with law degrees et cetera come along and then object to legal representation by a barrister or solicitor.

CHAIR: I am sorry but I cannot remember which submission this was in, but there was a submission that was making the point specifically about people who are perhaps not members of a union and cannot avail themselves of those qualified staff. I think what you are referring to is mainly when an employer is not granted legal representation; is that correct?

Mr Murdoch: No.

CHAIR: Are you saying there would be a number of instances when a non-union employee would be seeking legal representation and that would be rejected?

Mr Murdoch: What has been happening, certainly in recent years, is that because the state is in most cases the employer, the state is not taking the point or certainly in my experience the state wants to be legally represented, too. So it is not an issue. That is why we are really sceptical about this so-called return to a layperson's tribunal. I would have thought that in most unfair dismissal cases, for example where there is litigation against the state of Queensland, the state would want to be legally represented. Why should we have in the act this somewhat artificial series of restrictions on legal representation? Apart from the state, you have really only got the local authorities who are left as employers in the state jurisdiction. You have the state with all its resources. The state, in my view, will not object to lawyers because it will want lawyers itself. So why then do we need restrictions on legal representation?

Mr CRANDON: I have four questions for you, but I am only going to get one out.

CHAIR: Yes, because we are going to wrap up very soon.

Mr CRANDON: I am just trying to work out which one is the best one. Can I ask you about consultation? We have had a great deal of feedback from, if you like, both sides of the equation: the unions on the one hand who had a whole heap of consultation occur at the government level—and I made that point to the department in our meeting with them the other day—and, on the other hand, the lack of consultation that has been put forward by yourselves, I would suggest, and also the councils. You have just made a point that the councils are really it as far as the non-state government employers are concerned and yet there was no consultation with the individual councils that have a very different—I was just talking to one of the previous witnesses about the Mackay council and the difficulties that they are in. They have some issues and they were given little or no consultation opportunities. Mackay is very suppressed at the moment as far as its economy is concerned because of the downturn and so forth compared to other councils that might be going along rather buoyantly. Can you give me some comments about the consultation and then Jim, if you would like to do the same?

Mr Fitzgerald: The answer to your question is I was consulted at 4.30 the day before the bill was introduced into parliament and I have recorded my views on that with the relevant minister.

Mr Murdoch: It was a similar situation but, having said that, we are grateful to be given consultation on these matters. I think there has been discussion between our president, Shane Doyle, and the minister. I think that is designed to ensure that in the future consultation is better organised.

Mr Fitzgerald: I should say that the minister has told me that he has told his department to put me on speed dial.

Mr CRANDON: That is you in particular, but what are your thoughts about the very different situations for councils around the state?

Mr Fitzgerald: I cannot really comment on that because I have no knowledge of what consultation took place in respect of that.

Mr WALKER: Mr Murdoch, I see that the Bar Association has a sort of cascading suggestion as to how we deal with the issues of first this, then this, then this. I do not know whether Mr Fitzgerald has seen that and I have not seen the Law Society's submission. Does the Law Society also take up the bar's cascading set of suggestions as to amendments?

Mr Fitzgerald: I do not have the benefit of having seen the bar's so I cannot comment.

Mr WALKER: Perhaps if it is not encompassed in your submission you would not mind dealing with that in the writing to us?

Mr Budden: Yes, we can do that.

Mr Murdoch: Can I just add to that?

CHAIR: Yes, please.

Mr CRANDON: I think Shane wants to say a few words.

CHAIR: Sorry, Shane, if I missed you putting up your hand. We will go to Jim and then to you.

Mr Murdoch: One of the points that we made during the consultation meeting was that we understand that there is to be a broader review conducted by parliament into the legislation. It seemed to us that there was a lot to be said in leaving the status quo on legal representation for the moment and putting that up for broader discussion in the review of the legislation. It is some years now since the—it might have been Mr Nuttall who was the minister at the time—review some 15 or 16 years ago. At that time the QIRC still had its original jurisdiction in that it applied to many small businesses. That has been totally changed to the state and the local authorities. It is a different framework. We would suggest that that is something that ought to be the subject of some mature discussion. As part of that cascade, we have urged that the legal representation be left as is and a broader discussion take place.

Mr Budden: Sorry, Madam Chair. I think before you asked a question and we did not quite get around to answering.

CHAIR: I am sorry.

Mr Budden: It was our fault. You mentioned that when lawyers get involved it ups the ante—that was an earlier question. One of the other things that involving lawyers does do, however, is it lowers the temperature. The last 13½ years of my practice were almost entirely administrative review work. People who make the decisions become very emotionally attached to them and the people who are the subject of the decisions obviously are in a very emotive state. What having legal representation on either side does is it takes that emotion out of it. It stops the shouting. Most lawyers these days have a fairly significant alternative dispute resolution practice because it is unavoidable. They have the skills and the training to stop people from the yelling and screaming and that sort of thing. You see it in family law, for example; you need someone in between you and the emotion. We are in the same boat here. When people are in trouble at work, you are what you do: people identify very strongly with their roles and it is a very emotional time. One of the advantages of having those lawyers there is that they are talking to one another and they are stopping the parties from shouting at each other. Sorry, we should have mentioned that before.

CHAIR: No, that is fine. I steered the questions down another track. That is my apology. I am sorry to say that the time for the hearing has expired. Thank you very much for your assistance. If we have any follow up questions we will send those to you quite soon. We very much appreciate your help. I declare this briefing closed. Is it the wish of the committee that the evidence given before it be authorised for publication pursuant to section 50(2)(a) of the Parliament of Queensland Act 2001? Yes, thank you, it is so authorised. Thank you very much for your attendance.

Proceedings suspended from 11.54 am to 12.01 pm

CHAIR: I declare this public hearing of the Finance and Administration Committee's inquiry into the Industrial Relations (Restoring Fairness) and Other Legislation Amendment Bill 2015 open. I am Di Farmer, the chair of the committee and the member for Bulimba. The other members of the committee are: Mr Michael Crandon, deputy chair and member for Coomera; Miss Verity Barton, member for Broadwater; Mr Duncan Pegg, member for Stretton; Mr Ian Walker, member for Mansfield and shadow attorney-general and shadow minister for justice, industrial relations and arts; Mr Pat Weir, member for Condamine; and Mr Craig Crawford, member for Barron River. The purpose of this hearing is to receive additional information from submitters about the bill which was referred to the committee on 7 May 2015. This hearing is a formal proceeding of the parliament and is subject to the Legislative Assembly's standing rules and orders. The committee will not require evidence to be given under oath, but I remind you that intentionally misleading the committee is a serious offence.

Thank you for your attendance here today. The committee appreciates your assistance. You have previously been provided with a copy of the instructions for witnesses, so we will take those as read. Hansard will record the proceedings and you will be provided with the transcript. This hearing will also be broadcast. I also remind witnesses to speak into the microphones. I remind all those in attendance at the hearing today that these proceedings are similar to parliament to the extent that the public cannot participate in the proceedings. In this regard I remind members of the public that under the standing orders the public may be admitted to, or excluded from, the hearing at the discretion of the committee. We are running this hearing as a roundtable forum to facilitate discussion; however, only members of the committee are allowed to put questions to witnesses. If you wish to raise an issue for discussion, I ask you to direct your comments through the chair. I also request that mobile phones be turned off or switched to silent mode. I remind you that you no calls can be taken in the hearing room.

The committee is familiar with the issues you have raised in your submissions, and we thank you for the detailed submissions we have received. The purpose of today's hearing is to further explore aspects of the issues you have raised in the submissions. We would now like to invite each organisation to make a brief opening statement if you would like to take up that opportunity. We have a number of questions we would like to put to you, and there will be opportunities for you to make additional points through the hearing.

BLANEY, Mr Shaun, Senior Industrial Adviser, Local Government Association of Queensland

GOODE, Mr Tony, Workforce Strategy Manager, Local Government Association of Queensland

HITZMAN, Mr Daryl, Chief Executive Officer, Moreton Bay Regional Council

HOFFMAN, Mr Greg, General Manager, Advocacy, Local Government Association of Queensland

Mr Hoffman: I would like to defer our opening remarks to my colleague Mr Tony Goode, who is our workforce strategy manager and directly in charge of this area of our operations.

Mr Goode: I would like to take this opportunity to emphasise two primary areas of our opposition to the bill in its current form. The first is the requirement for the QIRC to revisit the current modern award in both scope—which is a number of awards—and its content, and in doing so placing councils in a further state of industrial limbo and operational inertia while this occurs. The single industry award and its contents were determined by the independent commission, and there was considerable participation, input and investment from affected parties.

The explanatory note suggests that the bill intends to give the commission the power to increase the number of awards covering our industry. The commission has that power already, so the only conclusion that we have reached is that inserting this additional clause is an intention to undermine the independence of the commission and facilitate the commission to increasing the number of awards. There is no evidence referenced in the bill's introduction that the modern award is flawed or that having the single award has disadvantaged employees. If it is the non-allowable matters that are causing concern, the bill could be amended to direct the commission to review the award and reconsider any matter that was not considered during the award modernisation process as a result of it previously being deemed to be non-allowable. The LGAQ and councils would support this direction and willingly participate in the process. Having just spent 12 months of industrial uncertainty and outlaying considerable investment in the award modernisation exercise, councils and

staff now find themselves having to go through it all over again. We struggle to understand how that can be in the public interest.

Our second major point of objection is the extinguishment and amendment of certified agreements that were struck lawfully and in good faith between councils and their staff and unions—agreements that in some cases received in excess of a 90 per cent 'yes' vote by staff. Once bargains are struck, councils should be able to make business decisions and employees and workers should be able to make life decisions confident that those decisions are predicated on commitments in an agreement they can trust to run its course. Throughout the award modernisation process councils have demonstrated their respect for the EB process by continuing to honour in their entirety existing agreements struck prior to the LNP reforms. Councils are now being denied that same courtesy.

The explanatory notes make reference to councils who have certified agreements already under the modern award but does not touch upon those councils and staff who invested significant time and effort into bargaining that have yet to have their agreements certified. There are councils currently before the commission now on agreements which have been voted upon favourably but are yet to receive certification, and there are councils who have finalised their bargaining and who are about to vote but have been stopped by this bill.

Councils are good employers: they do pay good money and they offer fair working conditions. They go to extraordinary lengths to create and keep jobs in their communities. Award modernisation for local government has never been about saving councils money or spending less on their workforce; it has been about providing councils with an optimism that they can better manage their workforce. Award modernisation has been about simplifying the system so councils can divert money spent on administering an overly complicated water arrangement to actually employing people. Returning to multiple awards, returning to the overlap, the confusion, the uncertainty and the inequity of job functions based along colour-of-the-collar lines will seriously and genuinely undermine that confidence. The government's overriding of lawfully struck agreements and independent decisions of the commission can only further undermine that confidence.

Mr Hitzman: Thank you for your time and the committee's time today. Can I say from the outset that council has the utmost respect for the parliamentary system and the right of the government of the day to make legislation in whatever way it sees fit. I will just take a couple of moments to outline the key concerns that we have which dovetail in with what the LGAQ has presented this morning.

We are one of only four councils, as I understand it, that has an EBA certified under the modern award, and we believe that our staff are uniquely disadvantaged by this bill. The work that we undertook to develop an EBA package which protects and supports our staff will simply be blown away if this bill comes into force, and I would just like to outline why. Firstly, when our council went to vote, in excess of 90 per cent of our workforce voted for our EBA; that is, it was an unprecedented 92.2 per cent who voted in favour of the EBA that was put before them. Not only does this bill, in our view, disrespect the choice our staff freely made, but it also impacts on whatever personal decisions they have made, given the assurance that the EBA was guaranteed to be in place until 30 June 2018. In our view, this strikes at the heart of the basic legal principle that binding agreements between parties are certain and not subject to change other than by agreement between the parties.

Secondly, all of our staff who were employed by council at the time that our EBA was certified have legally binding letters which secure every non-allowable entitlement they enjoyed from our former EBA. We could not have that in the EBA because we were not able to at the time because of the legislative framework, so we created a letter between every employee that guaranteed those non-allowable matters, and they still enjoy those today. Therefore, the non-allowable matters that the bill seeks to introduce are already in place.

The third fact is that we have had no consultation with our council in this regard. Certainly there has been consultation with the Queensland Council of Unions and the individual unions and the LGAQ as our peak body, but our council has not been engaged. I guess this is our opportunity to present our case, and I thank you for that. We do not see any real evidence why, in our case, our EBA should not be allowed to run its term until 30 June 2018. Our staff went out to vote and we got a clear mandate as you can see, 92.2 per cent, and the council is very supportive of its workers and associated pay and conditions. Our council is a quality employer. If you have a look at the pay and conditions that our staff enjoy, they are at the forefront of local government in South-East Queensland and we are quite proud of that fact.

Our simple request is that we seek the bill be amended to allow our certified agreement to take its course and provide the 92.2 per cent of our workforce with the agreement they voted for.

CHAIR: We will go straight into questions. I just want to explore the issue that you raised before about consultation. Could I ask the LGAQ how were you consulted about this bill? A number of councils have raised in their submissions their concern that although the LGAQ represents them as an overarching organisation, they would have liked to have been individually consulted on this bill. I am not sure whether it was in the LGAQ's submission or one of the other two stakeholders who said that they felt they should be represented on the minister's industrial relations working group. Can I get your comments on those issues, please?

Mr Goode: In relation to the last question, I understand that our local government is going to be represented on that based on discussions we had with the government, but we have seen nothing in writing confirming that yet.

In relation to the general consultation question, probably back in March or April we were first approached by someone within the government department suggesting that there were going to be some possible changes and sounding out our views on the non-allowable matters, which we understood at that time was the extent of the changes. We indicated that it was only an early foray into this area and that we were not necessarily going to be opposing the re-introduction of any of the non-allowable matters. In relation to this actual bill, it was probably much later that it was first brought to our attention that there was to be this bill introduced in possibly May. I think it was probably in late March we were first consulted and we met with representatives of the government. We met on two or three occasions with the affected government ministers, but can I also indicate that at that time we were asked to respect the confidentiality of that consultation, which meant that it effectively prevented us from going out and talking to our members. The offer was made for us then to meet with the departmental people involved in putting together the bill, and we met with them again on a couple of occasions—but again there was that matter of confidentiality which prevented us. I did send some information out to councils. Once we saw a media release from the minister indicating there was to be a bill in place, we immediately contacted all our members and told them that this bill was coming and indicated that there were some ongoing discussions, but some of those discussions were confidential.

Probably about a week or so before the bill was actually introduced in the House we were given a strong indication of what was going to be in it, but we had a number of discussions by telephone with the authors of the bill where we expressed our response and we actually saw the draft bill probably 24 hours before the bill was introduced. We would have liked to have had the opportunity to have a bit more time to look at the detail and take the detail out to our members. We have an IR working group across councils which convene regularly and they often are the source of a lot of the information that comes from council ourselves. So the consultation with the LGAQ was okay, but the restriction on us being able to go out and meet with our members meant that we were not able to gather the full range of information we could have.

CHAIR: Thank you very much for that. I ask for your comments, because what a number of the submissions have talked about is not about whether the LGAQ could have consulted better or was constrained from consulting but the fact that in addition to consultation with the Local Government Association they should have all been individually consulted with as well. Could I get a comment on that?

Mr Hoffman: It is best practice for us to have ample opportunity to engage with our members to ensure that the diversity of the state is recognised in considering the impacts that a potential piece of legislation will have and on an issue as significant as this. That is a most important point from our perspective to ensure that we can adequately and fully represent them. As Tony indicated, we honoured the requirement for confidentiality and it was only once the bill was introduced that we were able to immediately and fully start to engage our members on the implications of it notwithstanding the fact that we were alerted, as Tony has indicated, to elements of the bill, but we did not see the specifics until 24 hours before its introduction. So our ability to engage all of our members was restricted to that point in time.

CHAIR: I am sorry for labouring the point—I hope the committee forgives me for this—but the point that is being made is that the QCU was consulted and individual unions were consulted, but in the same way the Local Government Association was consulted but local governments were not. I suppose from the committee's point of view every organisation has a protocol and I guess we are keen to hear your comments on whether you think equal consultation should have occurred in that way that that comparison is being made.

Mr Hoffman: I would think yes in this case. As I said, the significance of this issue as reflected in the major submissions you have received from us and the commitment we have to representing councils as their employer representative means that the fullest opportunity to consult with them is

essential and we would have done it differently had we not been constrained by the confidentiality requirements.

CHAIR: Thank you very much.

Mr CRANDON: Thanks for that, Greg and Tony. Daryl, thanks also for giving us an overview of the situation in relation to your particular concerns around the agreements that you have in place. Coming back to the LGAQ, I note and we would like some comment if you have some feedback that there are four councils, one of which is the Moreton Bay Regional Council, that already have certified agreements under the modern award provisions and there are two other entities that are ready to have an agreement certified by the commission. Can you outline for us the cost and disruption this bill has to those six councils and entities that have already gone through the process? Can you give us some sort of indication of the cost impact on those organisations?

Mr Goode: It is very difficult to put a cost on it, but we can talk a bit about the impact. Just from a council point of view to begin with, it is a considerable effort to get an agreement to a position of having to take it to the staff in the first place because, as you can imagine, we are talking about wages and we are talking about employment conditions. So the number of meetings that go on within a council to plan for the meetings and then actually have meetings with the various representatives can drag on for months and that does not occur in a single meeting—that goes on for a considerable period of time—whether it be a union agreement or an employee collective agreement, which some of these are. Considerable effort then goes in to taking time out of the work environment for those staff to sit down to go and talk to the staff to get their views and meet with the employer representatives and take the information back. So there is an enormous operational cost to the organisation and considerable investment into that exercise by employees within both council and representing the staff and, for that matter, unions.

Most of these agreements are for four years, so councils can now start to plan their financial costs going forward four years and, as I think was indicated, that allows employees and staff to make some life decisions based on the commitments they have been given for the next four years. Effectively what this bill will do is cut that immediately in half so that whatever financial commitments the organisations have made and whatever commitments the employees have made post the new nominal expiry date are effectively null and void. Those councils will have to go back and start all over again and begin that whole bargaining process again. There is even a question mark about commitments made post the nominal expiry date and how much force of law they carry. If they do carry a force of law, that puts the employer in an extremely unenviable bargaining position going forward because we have set a new minimum ambit claim. If those commitments are not enforceable by law—we understand at this stage they are not—it effectively means that for employers who anticipate pay increases on these particular times going forward all of that is thrown out the door and we start again and that whole process has to begin all over again. The one other element of that is the undermining in the entire integrity of the industrial relations process. I am still finding it quite extraordinary that anybody can support the fact that an agreement that people have willingly entered into in accordance with the law of the day can now be effectively cut short by a third party. So any future agreement going forward was going to be received with some form of trepidation by all parties, so it is not doing the confidence in the entire industrial system much good either.

Mr CRANDON: Setting a precedent. As a follow-up question in relation to the workers of those councils, what would be the impact on them as you would see it?

Mr Goode: If I can talk about another particular council that is similar, it was only brought to my attention last week that a particular council have gone through and they had a vote to have an employee collective agreement. The council and the employees got together and did the whole education program to train staff and over the last four to five months they have been investing in a bargaining process. They reached that agreement about a week ago and they are ready to put it to a vote of the staff. For those staff now, effectively that agreement has been put on hold or thrown away almost. In that particular case that particular council have not had an enterprise agreement since 2001, so they have effectively been under an employment condition. This new award—this new bargain they have struck—offers additional higher than award wages, it has significantly different and improved leave arrangements and hours of duty arrangements and those staff would have been looking forward to voting on this particular topic. So that has been pushed aside. We understand those staff have actually put petitions together and they will be sending them to their local members, but the level of distrust in the system and lack of faith in the system just amongst those workers to me is not a good way to operate within a Queensland local government environment. You can put that same level of lack of confidence now into councils like Torres Strait Island Regional Council

where 96 per cent of the staff voted in favour of their agreement and it was quite an historical agreement, yet effectively it has been thrown out.

CHAIR: Greg, did you want to make a comment on that as well before we move on?

Mr Hoffman: I think there was one particular point Tony made about the process being stopped, the agreements being deemed null and void and having to start again and the impact of that on the integrity of the system. There is a provision in the bill that talks about the ability by regulation for an agreement in place to be further amended, and I think that is another element of real concern that agreements entered into, even under a remade bill, could still be subject to regulatory change. So that is begging the question of the independence of the system and employers and employees to be able to negotiate not only those agreements but also issues that they may have at any point in time in terms of employment matters with the confidence that it will be dealt with independently by the QIRC. So you can understand our very significant disappointment in what is proposed but also in terms of what the future holds in relation to these matters when in fact support for the system by the strong employee voting for the agreements reflects on a council's underlying premise of looking after and supporting its employees, which we argue is historic—and we refute any claim that council employees are disadvantaged in their employment at all; that is just rejected out of hand—but the mere fact that what was on offer was supported so strongly is again demonstrating the employee support for what had been negotiated. That would suggest to us that the system, the process, is not flawed but is supported—a situation vastly different to what had in fact been our history over the years that we have acted in this role for councils. So it disappoints us that in the absence of a clear demonstration of fundamental flaws in a system that was demonstrating its capacity to support employees is now in fact being revisited and potentially in a way that creates or will generate or create a return to a situation which was borne out of significant confrontation and disagreement. We fail to see the need for the change.

Mr CRANDON: I think Daryl wanted to make some further comments.

Mr Hitzman: In relation to how it affects individual employees—that is the concern that I have—you have to remember the modern award when it came in stopped us from going out to bargaining our new enterprise agreement until such time as the new modern award was made. We were going out and talking to our staff at the time—we are a large organisation with lots of staff and you know how the rumour mill works—and our staff were getting very agitated by the fact that we were not able to enter into a new agreement and therefore they would not have a new agreement by 1 July, which was the normal process with pay increases that would follow as from 1 July, but we could not do that until right towards the end of last year. Through that process I can tell you that we spoke to our staff on numerous occasions, so there is a significant effort in that regard. But what is more important is the confusion and the anger that the staff had around being stopped by a third party effectively about the fact we were not able to continue. Going from the number of awards we had into one single award was very challenging and there are outcomes of that. As an example, we developed our own allowance that is much higher than that which exists in the award to counter the fact that there were a number of allowances that were got rid of. If we go back and we have to now enter into a new agreement after this bill becomes legislation, I can assure you there will be great unrest and great uncertainty within our organisation.

A lot of people do not understand that process. They simply do not understand it. All they want to do is come to work and do their job and get paid and get paid well. In our case, we know we pay them well. Their terms and conditions that they are paid under are among the best, if not the best, in Queensland. Our workforce is settled. They have been through that great disruption that went on for month after month after month.

As you know, the modern award was supposed to be made by 30 June and did and then it got pushed out and pushed out again. We went out and we spoke to all staff and made it very clear about the new agreement. I can assure you that there is an enormous amount of cost—and I am talking about personal cost. Forget the organisational cost; just forget that. Forget my time and my staff's time in putting all of that together. Forget all of that. Talk about the individuals—the uncertainty that it brings with them and the anger that it brings with them and the concern that they have when they hear about the fact that they are going to lose their job, or they are going to have their pay reduced. The last time, for example, all of our staff believed that they were going to end up on the modern award rate. Our rate of pay is about 33 per cent above the modern award. Of course, they did not end up on the modern award rate. But this is the sort of stuff that goes through the organisation. This is the sort of uncertainty and it is not good for our staff.

In our case, there is no need. Our staff are well paid. Those who vote on the EBA at the time, or not voted but were in the organisation at the time, they all have those non-allowable matters secured. We could not secure them through the EBA. So we secured them the only way that we could that was legally binding and that was with an individual letter. There was discussion at the time about an MOU. We did not go down the lines of an MOU for one reason: it was not legally binding and we could not stand in front of our staff and say, 'This is a legally binding contract,' because that was important to the staff.

We have gone out to our staff and we have said, 'Here's our EBA. Trust us. We are going to follow this process through to 30 June.' We are going to have to go back out to that same staff and tell them now, 'Hey, all bets are off' and that is going to be very destabilising and individually very taxing on them. That is the thing that concerns me most of all. We are a people business. We need our people. They are the key to our organisation. We cannot provide services without people and we do not need to do this. Bring in the new modern award. Fine. End up with two or three, fine, if that is what is going to happen. But do not rip away a legally binding agreement that has happened between two parties that have sat down and we have a 92.2 per cent vote.

Mr CRANDON: Of how many staff?

Mr Hitzman: In round numbers, 1,650. So we are a significant workforce and, of course, there are a variety of views out there among our workforce and we got a 92.2 per cent vote. I am not sure that anyone has ever got in local government that sort of vote, but we believe that it is unprecedented and we got through very difficult times. So if the staff were not happy with what they were given, then they would not have voted it up.

CHAIR: Thank you, Daryl. I am sorry, I can tell that you feel very passionately about this and you have made some good strong points, but unfortunately, given the time constraints, we need to keep going.

Mr Hitzman: Sorry.

Miss BARTON: I have a substantive question for Tony but just quickly before I ask that, are you able to give us the name of the council that you were referring to in your previous answer? I am happy for you to take it on notice if you want to seek their permission to provide us with those details.

Mr Goode: If you do not mind, I would, because I asked the council last week about something that they were doing and they were concerned that if it went public on it, there might be some form of reprisal. But I am more than happy to talk privately and let you know exactly who it is.

Miss BARTON: So the substantive question that I have is I was just wondering whether you could draw some comparisons between the previous government's award modernisation process that we saw here in Queensland and that that was undertaken by the previous Gillard government in Canberra and whether there are any comparisons that you might be able to draw?

Mr Goode: If you do not mind, I might pass over to my colleague on my far left, Shaun, because Shaun was involved to an extent in the federal modern award process as well as our advocacy at the state modern awards.

Mr Blaney: I was involved in both of those processes and in both of those processes there was the creation of singular local government awards, for want of a better term, both at the national level and at the state level. The national level, some of the observations that I could make in comparison to the state level, was that it was much more safety net focused whereas in Queensland, whilst we ended up with a similar structure of awards in the sense that we ended up with a single local government industry award, largely for some of the reasons paralleling the national system, with respect to the redrafting of conditions of employment there was a lot less of that in Queensland. You can go back to previous premodernised awards and you can see a lot of where the entitlements have been carried across; whereas at the national level it was very much the recreation of a whole new award, essentially, and there was probably equally as many awards in the federal arena that were amalgamated as well.

The modern award objectives in both jurisdictions are very similar. There are some minor differences between the statutory objectives about award modernisation. Both jurisdictions had the capacity for the minister to make certain requests and they were requests in board terms, largely guiding the process in a sense that it might theme things, I suppose, and there were those sorts of requests made. But the requests themselves, both in the national system and in the state system, were quite similar types of things. They were not overly focused on telling the commission to do something. It was more around guiding principles, essentially, largely resembling what the modern award objectives were under the statute provided for.

So yes, while there was a very similar framework, I would suggest that the outcome of the process was that the content of the awards ended up being a bit different and that is probably the historical basis—the different instruments that operated in the state versus the federal arena. So they had their own context around them as well.

Mr PEGG: I had a question for Daryl. I found it interesting, because you gave a practical example of agreement making under the legislation as it exists currently. As I understand it from your explanation, at the moment there is a certified agreement and then a legally enforceable letter that sits side by side. I am just interested in exploring that a bit. Firstly, I would like to know what kind of costs there were involved in exploring how to make effectively that non-allowable content legally enforceable; secondly, whether in your view it would be better, with these amendments in relation to the non-allowable content, if it was able to be put into the one agreement; and, thirdly, you talked about the high level of acceptance, or the high vote, the high level of support of our workforce for this certified agreement. Was that predicated on the basis of this letter being provided also?

Mr Hitzman: Just taking the first question in relation to the cost, obviously, what we did is we went about a path of getting appropriate legal advice et cetera to ensure that what we were putting in place was binding. It is very easy to stand in front your staff and say, 'Trust me, this will happen,' but, of course, the staff become very cynical over time when they see processes that come in and change things without their involvement. So they wanted to see something in writing. It was originally promoted that we would do that by an MOU—a memorandum of understanding. The problem with the MOU is that it is not legally binding, as you well know. Therefore, we went to the letter and we got external legal advice, internal legal advice et cetera. Then we spoke to individual staff, as you do—'If you got this, would you be happy with this as proposed?' 'Yes.' So then we took to the wider workforce.

Your question about whether the agreement got up because it had the legally binding letter, we took it as a package. We took the whole thing out as a package in relation to exactly what was on the table—how it compared, how the allowance system was going to work, for example, for the outside workforce, where all of our outside staff would receive more money under our existing agreement, our new agreement, than what they did under the former agreement. That was at a cost to the organisation. We have had to incur a cost there by looking at the types of allowances that they were paid in the previous 12 months and saying, 'We have to ramp up the allowance so that it is such that it would pay no less than' and in the majority of cases—in fact, all cases—they got more. That was part of the cost of the introduction of the new EBA.

Our staff understood the structure. We went to great lengths to have detailed presentations. I personally presented at every one and they were given a detailed presentation on the whole thing. They were asked—open floor, anybody could ask any question. There was no question off the table, and trust me, when you are deal with the outside workforce they hit you right between the eyes, which is good, because they knew exactly what they were voting for. So there is no question. They knew exactly what they were voting for, and there is no question that they saw the whole package, inclusive of the pay increase.

You have to understand that one of the other things that we did was talk to them about the way in which our council pays. We paid significantly higher than the other councils around us in South-East Queensland at the time and we did those presentations to let them know. You talk about a percentage. A percentage means something, but it is only a reflective of what the base already is.

Mr PEGG: Just to bring you back to the second part of my question. Would the process have been easier if this non-allowable content could have been included in the certified agreement?

Mr Hitzman: At the time, yes, because it would have taken all of that confusion away and the need to go out. It was already in our current EBA2, but we could not put in EBA3. So we had to do it via a letter. So all we will do in the future is, if our agreement allows to stand until 30 June 2018, of course, we will just pull that back into the agreement going forward. That would be our intention at this time. But what I am saying is that there is no need to strike a new agreement just because of that not being in the agreement.

At the end of the day, the council will honour those agreements going forward. They have to, because they are legally binding. That was the key part for the staff. That was the key, important issue for the staff—to make sure that they had something in their hand that was legally binding.

Mr PEGG: Thank you.

Mr WALKER: My question is either for Mr Hoffman for Mr Goode. It is in relation to the fairly startling proposal within your submission that, if this legislation is passed, there could be a decrease in the vicinity of 1,500 jobs within your sector over the next couple of years. As I read the paragraph,

that is not simply the workforce not growing by that amount; it is an actual loss of existing jobs. I just want to firstly confirm that and, secondly if you could take us through the reasoning that got you to that figure—without holding you to the specific figure, obviously?

Mr Goode: As you would imagine, there are lots of different things that affect employment numbers. When this question was put to us—and one of the things that I do at work is, since 2001, we have been collecting census data on workforce numbers within local governments. This information comes directly from the payrolls of the various councils. We have been measuring that. We compare it over time. We look at the trends. Since between 2001 and 2010, there has been a constant, a fairly regular increase in overall numbers in the workforce in local government. From 2010 to 2013, our figures showed a steady decrease in numbers and that was reinforced between April 2013 and 2014 by a further 935 jobs, or something.

What we do is, when we collect that data, whenever we notice a variation in trend or something significant we then go back and explore the reasons behind it. We verify it. For example, in 2010, we knew water was leaving local government and moving into its own entities. So we thought that that might have been enough to represent the first significant reduction. But we explored it further and found out that that reduction occurred despite the water. In the same way when some of those water jobs came back into local government in 2011, again, we still experienced a further reduction.

So when you look at those reductions over that period of time going forward, based on the feedback that we were getting from councils as to why those reductions occurred, we compared that with the anecdotal evidence that we have been gathering over the last 12 months of councils' future prospects and prediction about workforce—you look at councils like Charters Towers, which recently late last year had to put off 35 jobs, Cook which is going through it right now; I think they are reducing by 15 or 16—and we looked at those figures and then we rolled that out across all of local government. That is why we came up with the figure of roughly 1,500 jobs over the next two or three years which could be related to this type of legislation.

Mr WALKER: Thank you.

CHAIR: Can I just go on from that? Could I ask you to join the dots a bit further on that?

Mr Goode: Sure.

CHAIR: You are referring to councils at the end of last year which said they would lose 35, or 15 jobs. They would not have known at this stage that the new government was going to be in place. I am just—I just need to just—

Mr Goode: Sorry.

CHAIR: Can you give me a little bit more evidence?

Mr Goode: They were just examples. There are also several other councils that we have spoken to who are in the process of doing enterprise bargaining who have said if we cannot get the changes through this process we will have no choice but to reduce our staff numbers. What they are anticipating is if we cannot take advantage of the award modernisation process that is taking place to this effect and we have to go back to where we were, then we would see no choice but to outsource some of our jobs. For example, we can no longer compete effectively, we cannot provide that service anymore. The award modernisation process was giving these councils some optimism that they would be able to rearrange their workforce to avoid having to reduce their numbers down the track. There are at least three or four of those councils that have come to us and told us some figures. Those are councils that have not yet acted on that and we hope they will not have to act on it.

CHAIR: We have heard four out of the 77 councils have not actually embarked on the process to this point.

Mr Goode: Those four councils have got agreements.

CHAIR: Why wouldn't they have embarked on the process if they saw it as advantageous to them financially?

Mr Goode: There were a number of reasons. Obviously councils normally embark on an enterprise bargaining process when their current agreement expires. If you look across all of local government, it is probably over a three-year period they actually come to expiry. In the case of Moreton I imagine they expired sometime in 2014. I think the last council whose current agreement is due to expire is Redlands which is due to expire in 2016. So there would be no need for them to begin the bargaining process yet. You have had probably about 20-odd councils whose EBs were expiring in 2014 who would have started the process—some did, some have been successful, some have gone further than others. A number of councils succumbed to some pressure from the union movement to avoid any type of enterprise bargaining for 12 months while this reform is going on. And

we have had three or four councils make that decision. There is another pile of councils whose EBs were due to expire between May and June of 2015 who would have been embarking some time ago already on this process, so they have yet to start the process. Now if this process drags on for another six months at least it will not be until 2016 before they begin bargaining. Another 20, 30, 40 councils probably start bargaining in the early stages of next year.

Mr CRAWFORD: You mentioned before that councils might have to shed staff and that sort of thing. What would cause them to do that? Is that a financial decision?

Mr Goode: It is. It is nearly always financial situations. As you can imagine, work that needed to be done 10 years ago is different to the work that needs to be done now. They need to be able to move their workforce around, they need to be able to reskill to do that. The increasing financial pressures on council, and they are quite significant, means that councils cannot just continue to do the work they have been doing in the same way they have been doing it for the last 20, 30 years and maintain that same workforce. They have got to take advantage of innovation and technology. The only way to do that is to have a fairly agile workforce. To do that you need a fairly simplistic industrial system so people can be skilled and moved across, people can be multiskilled, do things differently, without the limitations of having multiple awards that put those barriers around them. Also, and I mean this sincerely, councils will bend over backwards to keep a local job in a local community because that job is a real person who probably has a family whose kids go to school and the more kids who go to school you then have an extra teacher in the classroom. For every one person who loses a job on a council, if that family is forced to leave town that has implications on the whole community. Councils will do everything they can to keep their workforce. They also have to deliver services to the community. At some stage it becomes uncompetitive for them to deliver those services and it is much easier, much cheaper, if they can only afford to pay someone else to do it, they will be forced to do it that way. As I said, it is the last resort of councils. But as we are getting into tighter and tighter fiscal times those last resorts are becoming very real for councils. If we cannot adjust our own internal workforce to make them competitive then we have no choice but to look at alternative ways of delivering those services.

Mr Hoffman: I think the point that is important here, to elaborate a little further on what Tony was saying, is that the benefits of the single award and the reframing of the enterprise bargaining agreements to achieve that will see benefits flow in the longer term. The changes that have occurred now through the agreements that are in place are reflecting upon the opportunity for change that will flow in time, built on the flexibilities that are inherent in the structure of the award and the ability of councils to reshape their employment arrangements. I just elaborate that from Tony's perspective.

I think the other element of the pressure that councils are under is in relation to the financial circumstances in which they currently operate. The Auditor-General in his recently released report is again highlighting his concerns around the issues of financial sustainability for a significant number of them. The drivers, if you like, that impose that problem, the state government grants and subsidies, were at $438 million a year to councils in 2002-03. It grew to a maximum of $579 million in 2008-09 but has dropped back to $227 million in 2013-14. The infrastructure charges revenue that councils can obtain from development was in the order of $500 million across the state in 2008-09. In 2011-12 it has gone down to $330 million and is even dropping further. The federal government in its budget of last year froze the indexation of financial assistance grants to councils. What they received this year was the same as last year and it will be the same again next year. That is around about a $200 million loss by 2017. The cumulative impact of these revenue losses from the sources I have just mentioned add up to about a billion dollars over the past five years. That is a significant drop in the capacity of councils to raise revenue. The consequences of that is that councils' debt was $1.2 billion in 2008-09. It currently is at $6.7 billion and the Queensland Treasury Corporation estimate it will rise to $8.2 billion in 2016-17. Responding to that, councils' rates and charges have increased from 2006-07 to 2011-12 by 32.3 per cent. That is 16.4 per cent above inflation. The pressures that councils are under from a number of the financial aspects reflected upon by the Auditor-General means that they need to look to ways and means by which they can achieve the best possible arrangement of their workforce that represents some 50 per cent—it varies from council to council—of their total operational costs. For the rural-remote councils that freeze of their financial assistance grants, plus the cutback in grants and subsidies at the state level, albeit that that cutback has now plateaued—has levelled out—is a significant pressure point on them. If they cannot have the flexibility that the single award provides in their ability to negotiate with their employees how those arrangements can work, then the consequence of that has got to be a further loss in staff.

Mr Blaney: Can I add in relation to the comment before about why haven't more councils availed themselves or started bargaining, the reality is that many of them have, and whilst there are around about four agreements that have currently been certified, there are another couple in front of

the commission, another few that have been voted on, there are a significant number of councils that are in the middle of bargaining and cannot obviously continue because of the provisions that are in place. Add to that that not every single council in Queensland has a certified agreement of course. I think on the figures that we have done there around about 23 out of 77 councils at the moment that are in one way, shape or form—whether that is through an agreement or on the award with higher wages paid through over-award payments—subject to that modern award at the moment. It is true that they are moving towards that. It is not as if the whole industry is sitting there waiting for some change. They are well and truly integrated into this system now.

Mr WEIR: My question has pretty much been answered. I was going to ask about the financial situation of the local government authority, whether you thought that should be taken into account, and also outsourcing. I will ask about the union right of entry, union on-the-job training and union recruitment through the workforce. Do you have any opinions or views on that?

Mr Goode: I will talk to a couple of those and I might get Shaun to add to it. A lot of those non-allowable matters do not cause a lot of anxiety for local government. We have had union encouragement clauses in a couple of our awards in the past. It is really up to each council how far they go with them in their agreements. They in themselves have not caused us a lot of problems in the past, because we are not bound by any government directions as to how to interpret a union encouragement clause. It is up to each council to make that determination in consultation with the local unions.

The right of entry is a problem for us. We are very much aware, under the workplace health and safety legislative changes, of the capacity for a union rep to come on board a particular organisation if they have got a genuine safety issue. They can walk in there immediately and that is no problem. We do have a concern with the absence of the 24-hour notice. We would prefer to see the 24-hour notice stay, but it is more of a practical consequence that is driving our desire to leave that stay than anything else, rather than some ideological issue. The reality is that a lot of our councils, our regional councils in particular, simply do not have the resources available all the time. So if a union person turned up and wanted to look at the time and wages records there is simply no-one there in the office who can provide that information. There is also the issue that a person just turning up and walking into a premise does have some real safety issues for us. They are denied the opportunity to do the appropriate safety briefings. Our councils operate from 6 o'clock in the morning until sometimes late at night so when does a person come in? Some of our offices have got some security provisions involved and a union person turning up and someone just letting them onto the premises kind of contradicts that security basis.

We have never had any major issues between unions and councils in relation to the right of entry when proper respect was shown from both sides. The only time there has ever been any major anxiety is when an individual union organiser might just rock up on the day and make some outrageous demands which the council simply cannot meet for practical reasons or is seen to be interrupting the business of the council at a time when it cannot be interrupted. Most union organisers do pay proper respect and contact councils in advance to give that appropriate notice. As I said, our position would be that we would favour the retention of the 24-hour notice. We think it is a good, courteous thing to do. We do not have any major issues with the reduction of the level of bureaucracy and red tape that goes with it in terms of the production of forms having to cross tables, but we think that the 24-hour notice does not cause any disruption to the union movement. We cannot see how it can in any way, shape or form minimise or prevent them doing their union organisation or member organisation, but what it can do is cause tension, which is unnecessary, to develop between an employer and a union organiser where tension is probably not necessary. In relation to the right of entry we would like to see the recommendation amended so that 24-hour's minimum notice does apply.

In relation to the trade union training leave. Obviously we never objected when all that stuff was made non-allowable because we could still do that. As in the case of Moreton Bay, a lot of councils adopted a lot of those provisions as a policy where it is considered appropriate. But they have never been a major issue and we have not received any directions from our councils to force major objections to those at this particular time.

CHAIR: Shaun, did you want to make a very quick point because we are running out of time and we do have one more question? Did you want to add to that at all?

Mr Blaney: I do not think there is really anything else that I would add beyond that, other than to reiterate our concern with the 24-hour notice provisions. That is similar to what is in the Fair Work Act and applies across the rest of Australia for that matter. Just the practical means by which somebody turns up at a work site and wants access but maybe cannot get access because the

relevant person is not there to provide it, the 24-hour notice streamlines that process and actually facilitates that process more than anything.

CHAIR: The submitters have made comment about that fairly extensively as well.

Mr CRAWFORD: If it was a health and safety issue, would you still want 24 hours, if a group of employees has a legitimate—

Mr Goode: My understanding is that if there was a genuine safety issue, whatever needs to be done to stop that unsafe matter would be welcomed by council. As I said, I understand that the workplace health and safety legislation is to be changed to remove that 24-hour notice for people to enter the workplace for legitimate and genuine safety issues. I think the concern previously was always that it would be misused to look at industrial matters. But as I said, for legitimate and genuine safety problems, we have no problem with it.

Mr CRAWFORD: That was not my one question, by the way.

Mr Blaney: On the issue with the provisions under the IR Act, it deals with coming in and having conversations with employees who are members or eligible members and it is quite a different circumstance to a genuine workplace health and safety concern. I think those two things can be quite easily distinguished, as well.

Mr CRAWFORD: Daryl, in relation to the letter that you did, I think that is a commendable thing. I think that what you have done there is fantastic. What are some of the examples of the prohibited content that went into that? Were there things in that letter like right of entry and some of those things that we discussed?

Mr Hitzman: Redeployment and redundancy—there were quite extensive provisions in our last EBA that were carried over; trade union training leave; operational employees home depot; positive employment relations; how council deals with unions; managing organisational change; redundancy payments and process. Our redundancy payments for those existing staff are quite different to what is in the modern award. They are much better.

Mr CRAWFORD: Fantastic. Have any other councils looked into that?

Mr Goode: Quite a large number of other councils have adopted as policies some of the matters that are now deemed to be non-allowable, simply as a means of saying, 'This is our position on these matters'. I have seen councils adopt policies on voluntary redundancies. We have seen them taken off the table, so when enterprise bargaining commenced, that issue of being allowable or non-allowable is no longer a matter because we have adopted it as a policy. Every council has been a bit different, but quite a number of councils have adopted positions on some of those previously non-allowable matters.

Mr Blaney: It has actually been a point of contention, trying to move negotiations forward, that things cannot go in an agreement. A lot of councils are happy to put things in there on a negotiated point, but the fact that they cannot has actually stalled it, in our view, to the detriment of bigger broader issues on matters. If it was the case that those things could have gone back into an agreement in a negotiated form, it certainly would have smoothed things out and created a lot less angst than has been the case, unfortunately.

CHAIR: Thank you very much. The time for the hearing has expired. We may come back to you with further questions. Thank you for your assistance today. I declare the briefing closed. Is it the wish of the committee that the evidence given here before it be authorised for publication pursuant to section 50(2)(a) of the Parliament of Queensland Act 2001?

Mr CRAWFORD: Yes.

CHAIR: Thank you very much.

Proceedings suspended from 1.02 pm to 1.05 pm

AHWANG, Ms Dania, Chief Executive Officer, Torres Strait Island Regional Council

LLOYD-HANNAH, Ms Bree, Human Resources Manager, Torres Strait Island Regional Council

MAURUS, Ms Julia, Legal Counsel, Torres Strait Island Regional Council

Evidence was taken via teleconference—

CHAIR: Hello. This is Di Farmer. I am the chair of the committee and member for Bulimba. I declare open this public hearing of the Finance and Administration Committee's inquiry into the Industrial Relations (Restoring Fairness) and Other Legislation Amendment Bill 2015. The other members of the committee are: Mr Michael Crandon, our deputy chair and member for Coomera; Ms Verity Barton, the member for Broadwater, Mr Duncan Pegg, the member for Stretton; Mr Pat Weir, the member for Condamine; and Mr Craig Crawford, the member for Barron River.

The purpose of this hearing is to receive additional information from submitters about the bill that was referred to the committee on 7 May 2015. This hearing is a formal proceeding of the parliament and is subject to the Legislative Assembly's standing rules and orders. The committee will not require evidence to be given under oath, but I remind you that intentionally misleading the committee is a serious offence.

Thank you for meeting with us via teleconference today. The committee appreciates your assistance. You have been previously provided with a copy of the instructions for witnesses and we will take those as read. Hansard will record the proceedings and you will be provided with a transcript. This hearing will also be broadcast. Please identify yourself before speaking, for Hansard.

I remind all of those attending today that these proceedings are similar to parliament to the extent that the public cannot participate in proceedings. I do not know if there are other people who are listening on the sidelines. They are very welcome, but I remind them that under the standing orders they may be excluded from or admitted to the hearing at the discretion of the committee.

We are running this hearing as a round-table forum to facilitate discussion. I will put questions to you, but if you want to raise anything, please direct your comments through the chair. We are very familiar with a range of the issues that you might wish to raise. The purpose of today's hearing is to explore any issues you would like to raise. In particular, we may ask you to comment on matters raised by other submitters. I now invite you to make a brief opening statement for about three minutes, if you would like that opportunity, and then we will put some questions to you.

Ms Ahwang: My name is a Dania Ahwang. I am from the Torres Strait Island Regional Council. I would like to give the committee a bit of background about the council, which was formed in 2008 with the amalgamation of 15 separate island communities. Those 15 communities are spread across 14 islands between Cape York and Papua New Guinea. We have 15 councillors and a mayor. We employ 337 staff.

Our council is one of the four local governments referred to by the Hon. Curtis Pitt in his second-reading speech, which was delivered to the House on 7 May 2015, that have successfully achieved certification through the commission of a certified agreement under the Industrial Relations Act 1999. Council has not registered any concerns with the Local Government Industry Award 2014, also referred to as the modern award. On 5 February 2015, our agreement was certified by Industrial Commissioner Knight. The nominal expiry date of the certified agreement is 30 June 2017. The certified agreement was negotiated collectively between council and the employees. Of the 337 employees, 288 employees did vote at ballot for the certified agreement. Of the 288 who voted, 280 voted in support of the certified agreement. That is a 98.25 per cent vote in favour, which is a significant result for council. It supports council's vision of being an employer of choice. It also allows council to provide some stability in relation to the industrial instruments that we are engaging in with our employees.

Council principally takes issue with the bill's intent to remove mandatory consideration by the commission of an employee'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 commission to review and vary the modern award. Our concern would be that an agreement by the commission to do so could potentially undermine their integrity, given that the modern award was only endorsed by the QIRC late last year. Council's concern is that an increased number of modern awards applicable to council, given our breadth of operations—not only covering traditional local government, but also we have buildings, childcare, airports, and home and community care—and the requirement for local government to once again return to the negotiating

table with staff within three months of such a variation being announced by the commission may result in a total inability of council to budget in accordance with the Local Government Act for unforeseen financial implications. Our concern with introducing or varying the modern award midway through the financial year would require commitment by government to support implementation through increased funding to local government to allow for any increases in human resource costs. It is anticipated for staff consultation costs, as well as system implementation costs for reconfiguring of our payroll systems, a conservative figure of around $200,000 is estimated for this exercise.

Council is further concerned that a lack of appropriate planning would inevitably result in recommencement of a cycle of redundancies in staff to meet the rising costs. There may be lower service delivery due to less staff and disgruntled staff. There may be fewer jobs available and there may be an increase in workplace health and safety absences and claims for stress. In reviewing the bill, government and the committee must seek to objectively consider the real costs to those employer organisations likely to be affected by the proposed legislative change. 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 the present time, given the continuing tightening fiscal environment.

It is therefore 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 prevariation modern awards continue to apply to the nominal date of expiry as certified by the Queensland Industrial Relations Commission, with varied modern awards only to apply upon expiry thereafter.

CHAIR: You have probably answered most of the questions that we were going to raise with you, without speaking too much on behalf of all of the other committee members. Could we get your comments on some other matters that were raised by other submitters? You referred earlier to the section dealing with the commission having to take account of the financial position and fiscal strategy of the employer. It has been submitted to us on a number of occasions that that is in fact something that has always been taken into consideration and that in fact it occurs well before the point where one might have to appear before the commission. I think an earlier submitter said to us that it has been very rarely that a local government in recent years has had to seek arbitration. Can we get your comments on that? In terms of that aspect of the bill, would you be comfortable with that consideration as it stood prior to the Newman government amendments?

Ms Ahwang: I have got two other staff on the line with me so I might pass over to one of them to answer the question you have just asked.

Ms Maurus: I recall from looking at the bill that we were referring to the amendments to subsection paragraph 3(p) at clause 3 of the bill—'Principal object of this act'—which talks about matters to be taken into account when considering wages and employment conditions determined at arbitration. But I believe there were also similar provisions taken out in relation to considering the number of modern awards that would be in place. When the commission is reviewing the modern awards in place they would also not need to take into account the financial position of employers. So that is our principal concern in that regard.

CHAIR: The position has been put by other submitters that in fact that has always been part of the negotiations and that it would remain so. Do you have any comment on that?

Ms Lloyd-Hannah: I guess the risk, as we see it, is that by removing that particular section of the act it may in fact then not continue. What we are principally objecting to is the removal of it from the act as opposed to it continuing to be in place.

CHAIR: I will pass you on to Michael Crandon.

Mr CRANDON: I would just like to go back to questions that we have in relation consultation. It has been an issue that came to our notice through the process. From what we can understand no councils were consulted by the department. I do not know whether or not you have a large number of union members up there. That is of no relevance. Many unions were consulted. Other peak associations were consulted but not one of the councils. First of all, when did you first become aware that this was in the offing, so to speak? How do you feel about the process of consultation?

Ms Ahwang: I first became aware of this through the LGAQ. Our mayor sits on the board. He attended a board meeting in early May, I believe it was, and it was flagged from there. It was confirmed when I was looking on Facebook that night. There was something on Facebook about the changes that were coming forward.

Mr CRANDON: I think you said 5 February 2015 was when your workplace agreement came into effect, expiring 13 June 2017; is that what you said?

Ms Ahwang: Yes. That came through in February this year, bearing in mind that we have been trying to get a certified agreement in place since amalgamation in 2008. It has essentially been a seven-year period to get a certified agreement. Within months—and the ink not even having dried on the instrument—we then received further notification that this whole process could be reversed.

Mr PEGG: we heard about your agreement-making process and the high level of support you had for your certified agreement. We have heard from other submitters we have spoken to today that have undertaken a certified agreement process issues around the non-allowable matters. I just wanted to find out from you whether in addition to that certified agreement you have some kind of protection for employees in relation to non-allowable matters, specifically whether there was a letter or a change of policy or anything of the sort?

Ms Lloyd-Hannah: Could we ask for the question to be repeated? Julia and I are not 100 per cent certain of what you are looking for.

Mr PEGG: When you made your most recent certified agreement, was that certified agreement made in conjunction with, for instance, a letter in relation to non-allowable items or a policy change in relation to non-allowable matters?

Ms Lloyd-Hannah: No. We included that in our certified agreement. As a matter of course, anything nonallowable just carried through to the certified agreement.

Mr PEGG: You may not be understanding my question correctly.

Ms Maurus: What Bree means is that the certified agreement is the only document that was negotiated. Aside from that, all the obligations and rights of the affected people are in the modern award.

Mr PEGG: Thank you.

Miss BARTON: You spoke about how you found out about this vaguely through your mayor as a result of discussions he had as a member of the board of LGAQ and then you saw something on Facebook. In terms of your ability to actually be part of the inquiry into the bill and the committee's process, how did you find out about what the committee was doing? Given the make-up of your council—that is, given the number of different islands—has that made it particularly difficult for you to be able to put forward your point of view on behalf of the council?

Ms Ahwang: Yes, that has. As noted previously, we are spread across 14 islands. So it is a bit difficult logistically to have those levels of consultation in such a short time frame. I noticed after we submitted the original document that there may have been some extensions given, but by then we were fairly comfortable with the position that we had already submitted.

Mr WEIR: With the diversification of your region—you talk about the 14 islands—does that mean you have to outsource a certain number of jobs that you have in your council?

Ms Ahwang: We are starting to look at outsourcing some of the work that is provided in relation to grass cutting. The majority of services that are provided by council are provided by employees. The only area where we do quite a significant amount of contracting out is in our building area. We do not have the qualifications in-house to actually deliver on our housing program—that is, construction, upgrade, repair and maintenance of our buildings. We do have contracts in place for plumbers, carpenters, electricians and other suppliers in that sector.

Mr CRAWFORD: I have a quick question on the right of entry. We have had a number of discussions with councils and other groups down here today and none of them share a similar environment to you up there with all the islands and obviously everyone sparsely connected. What is your situation with union right of entry if that comes back?

Ms Lloyd-Hannah: We are not opposed in principle to the unions' right of entry, but what we would be respectfully be seeking is some kind of notice—for example, 24 hours notice. I think Dania has illustrated quite well the uniqueness of our council in that we are spread across 16 locations, if you include Cairns and Thursday Island where we have operations as well. So you can imagine the cost of administration in each of the divisions.

Dania has touched on building, for example. If we were paying for consultants or services to happen in the divisions and the union arrived unannounced, that could be quite costly in terms of the disruption of service delivery. We are certainly not opposed or objecting to unions having a right of entry, we are just respectfully asking that there be some notice period beforehand so we can ensure minimal disruption to service delivery and also cost-effectiveness.

Ms Ahwang: There are local laws in place in relation to seeking permission to visit our island communities in the Torres Strait which basically requires a person to contact the PBC, the prescribed body corporate, and the councillor in advance basically seeking endorsement to enter that community. Outside council's operations that is what the community has determined.

In addition to that, from a cultural perspective there are times when a community will basically shut down and they will not welcome any entry into the community, particularly where there has been loss in that community. They do tend to go into the sad news or sorry business processes. That is when they do tend to ask any visitors for consideration and respect. They might actually say to those visitors, 'You will need to delay your trip into the community.' There are a number of factors that probably do play into it.

CHAIR: I imagine any union representatives would, regardless of the regulations around right of entry, be fairly sensitive to that. Would that be case?

Ms Ahwang: Yes, I believe so. I did provide some clarification on that process to a union representative early last year, but he seemed to be quite aware of it because he was a Torres Strait Islander himself.

CHAIR: Yes. Unless other committee members have any questions, I think we will finish there.

Mr CRANDON: I have a quick one. How many plumbers do you have?

Ms Ahwang: We have a number of contracts. We have put an arrangement in place to make our procurement a little bit easier by going out and prequalifying contractors, be they individuals or companies, for a two-year period. I am not sure at this stage how many we have on our panel, but we do tend to select off that panel based on the prequalification status.

Ms Lloyd-Hannah: I can answer that if you like. We have two full-time plumbers who are employees at the moment. We also have four apprentice plumbers and all of those four apprentices live and work in the outer Torres Strait Islands.

Mr CRANDON: Excellent. Thanks for that.

CHAIR: Thank you very much. Unfortunately the time for the hearing has expired. We really appreciate the work that you have put into this and your help this morning. Thank you very much for sitting and waiting for us for that period of time. I declare this hearing closed. Is it the wish of the committee that the evidence given here before it be authorised for publication pursuant to section 50(2)(a) of the Parliament of Queensland Act 2001? There being no objection, it is so authorised.

Committee adjourned at 1.30 pm