

Subject: FW: Draft Brief

From: simmo@etu.org.au

To: mangocube6@yahoo.co.uk

Date: Tuesday, 17 February 2015, 8:59:46 am AEST

From: Peter Simpson (ETU)
Sent: Sunday, 15 February 2015 7:17 PM
To: 'keepqldnuclearfree@gmail.com'
Subject: Draft Brief

Mate,

Appreciate a lot going on in your world tonight, as discussed, I want to meet with you before the GOC's get to you with their woes. Attached is a draft brief I had Lance work up to put you in the picture of the priority issues we will be chasing you over.

The EBA's are my immediate priority

I'll run through this one more time in the morning and submit it formally from there

Simmo

Regards,

Peter Simpson

State Secretary

NR

simmo@etu.org.au



Brief for Incoming Energy Minister Feb 2015.docx

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Brief for Incoming Energy Minister

Executive Summary

At the outset, on behalf of the Electrical Trades Union Queensland Branch (ETU) please accept our sincere congratulations on your appointment as Minister for Main Roads, Road Safety and Ports, Minister for Energy and Water Supply.

We at the ETU look forward to a strong and constructive relationship with you as Minister for Energy, and indeed the whole Palaszczuk Government.

The immediate priorities going forward that the ETU would like to work closely with the Government are:

- Ceasing asset sales of energy Government Owned Corporations (GOCs);
- Commencing the merger of transmissions and distribution businesses into a single entity;
- Resolving outstanding energy GOC enterprise bargaining agreements
- Assisting with energy policy reform that will place downward pressure on Queensland electricity prices.

In respect to both asset sales and industrial relations we took a great deal of confidence from the correspondence of the new Treasurer in a letter dated 17 November 2014 (**Attachment 1**) in which certain undertakings were given.

This provides, in our view, a very good basis on which to work from for the future.

Background

Under the auspices of the LNP Government, our relationship with Ergon Energy, ENERGEX & Powerlink Queensland over the last three years has eroded compared to what it once was and we look forward to establishing a collaborative, mutually beneficial working relationship with the Palaszczuk Government.

With respect to industrial relations under the previous government we observed ineffectual industrial relations departments, regularly outsource basic Fair Work cases and moderately complex arguments to expensive third party law firms.

The Union has absolutely no faith in the capability of the industrial relations units within ENERGEX, Ergon Energy or Powerlink. All three have repeatedly proven that rather than take an inclusive and participatory approach to remedying issues, they prefer tactics such as stonewalling and leaving the majority of issues to being resolved by lawyers.

An exercise the Ministers' office might find interesting would be a review of GOC payments law firms over the past three years. Also, a review of IR/HR people in each entity as a proportion of staff from 1995 to present would assist in highlighting the growth industry of the past twenty years and would prove illustrative.

Merger of Energy GOCs

The announcement of a policy commitment to merge government owned energy GOCs into a single entity each for 'poles and wires' and generation is one that we applaud and support. We believe it will deliver excellent efficiency outcomes that will improve the value of taxpayer dollars and place downward pressure on retail electricity prices.

As a key stakeholder, ETU would like to be integrally involved in the merger process. We have some potential suggestions on our involvement for consideration.

A multi organisation group, representative of ENERGEX, Ergon Energy, Powerlink and the SBU Unions, should be formed to construct a scope agreement for the merger.

The agreement should identify priority areas, set timelines and allocate resourcing.

If this group cannot agree on a scope, the items in dispute should be referred to the Minister(s) for determination.

There should be regular meetings between the Minister (or a senior advisory representative of the ministerial office) and the Single Bargaining Unit (SBU) throughout the process to work through any issue and/or highlight any concerns.

We are of the view that distribution and transmission entities be merged first, with further consideration and planning being required on National Electricity Market implications for a potential merger of government owned generators.

Industrial Relations

While we acknowledge that industrial relations involves multiple portfolios, it is a priority issue for ETU and as such we will be engaging shareholding Ministers and relevant departments.

The three current GOC Enterprise Bargaining Agreements (EBA's) all expired on the following dates:

- Ergon Energy 1/10/14
- Energex 21/11/14
- Powerlink 27/11/14

Throughout the course of 2014 negotiations were ongoing, however an agreements between unions and the corporations was not reached. Subsequently each GOC put forward an EBA for employees to vote on, and the results in each case were an unequivocal rejection.

- Ergon Energy **73% No Vote**
- Powerlink **69% No Vote**
- Energex **64% No Vote**

The following matters were critical to the rejection of the last EBA offers from the GOCs and resolving them will be key to moving forward.

Employment Security

The current clause provides for 'no forced redundancy' for all staff, the EBA offered previously under the LNP government reduces the current entitlements to only current staff. In our view redundancies should be managed through the current established processes.

We also note the new Treasurer's comments on the public record when announcing the energy GOC merger policy that there would be no forced redundancies through that process.

We support that and are advocating for a consistent position to be reflected in EBAs.

Grievances and Disputes

The corporations believe that the current provisions are restrictive on the basis that there is currently a status quo requirement that outlines that the status quo prior to the disputed matter must be maintained until the dispute is resolved. This prevents unscrupulous Managers from making changes or decisions that are not compliant with the employer/employee requirements.

The current clause was developed by the Fair Work Commission during previous negotiations and is seen as best practice.

The Corporations wish to revert to the bare minimum Fair Work clause significantly restricting the matters that will be allowed to be disputed. This will allow Managers that already have strong form for ignoring their obligations to do whatever they want with little chance of satisfactorily resolve the disputed matter resulting in increased industrial disharmony.

Use of Contractors

The current clause outlines the requirements to consult and maintain comparative rates prior to the use of contractors for core work.

This clause was introduced following the SEQEB dispute. It enshrines the principles for contracting out of core work, outlines the consultation process prior to the engagement of contractors and prescribes that rates of pay and conditions for contractor employees will be no less favourable than industry workers.

For many years this provision and protection has facilitated a process that has resulted in minimal Industrial disputation.

Corporations are currently advocating for the removal of these protections. Our members are united in their opposition.

Single Person Tasks

Given the inherently dangerous nature the energy industry, currently single person tasks can only be undertaken in a few, prescribed situations and are the exception rather than the rule.

There is a consultation process outlined for the investigation of further tasks but only with acceptance of 60% of impacted staff. Given that safety and consultation goes hand in hand this must remain.

Consultation

The current EBA clauses provide for a consultative process to occur through multiple restructures and changes and have allowed all parties to work together to achieve mutually beneficial outcomes. It is imperative that the employer and the employees have the genuine ability to influence decisions before they are made.

The Corporations intend to remove any ability for the employees to influence the decision until after a final decision is made by management. This will largely restrict employees with many years of experience have a say in the future of the Industry.

Wages and Conditions

The Corporations will likely argue that the upcoming AER draft determination will necessitate significant cuts to budgets and that employee wages and conditions are contributing to the problem.

This is a fallacy when the budgetary impact of operational staff wages are analysed amongst other cost drivers in the businesses. Based on the current Annual reports employee expenses make up less than 10% of electricity bills.

Below is an Interstate comparison for energy industry employees that demonstrate that current Queensland rates are the second lowest in the country.

We have attached for your consideration a draft example of an EBA clause going forward that be suitable through the merger transitional period (**Attachment 2**).

Rate Comparisons

	Linesperson	Live Linesperson	Penalty Rates	Standby
Queensland	\$37.50 / hr	\$41.09 / hr	1 ½ T for first 3 hrs, 2T thereafter	\$55 / day
Victoria	\$40.57 / hr	\$42.00 / hr	2 Time	\$64.64 / day
NT	\$50.58 / hr	\$50.58 / hr	1 ½ T for first 2 hrs, 2T thereafter	\$51.60 / day
South Aust	\$38.41 hr	\$40.41 / hr	1 ½ T for first 2 hrs, 2 T thereafter	\$72.20 / day
NSW	\$44.15 / hr	\$46.63 / hr	1 ½ T for first 2 hrs, 2 T thereafter	\$51.91 / day
Tasmania	\$35.42 / hr	\$37.96 / hr	1 ½ T for first 2 hrs, 2 T thereafter	\$64.29 / day
Western Aust	\$42.93 / hr	\$49.86 / hr	1 ½ T for first 2 hrs, 2T thereafter	\$57.50 - weekdays \$114.85 - sat, sun, ph \$229.70 - Xmas day/Good Fri

We propose that a consultant be sought to oversee all industrial relations of the three entities. Such a consultant must have: -

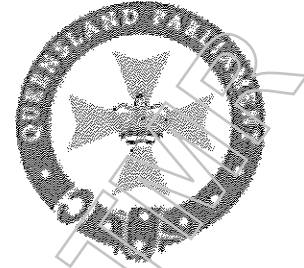
- An understanding of the industry, its history and participants;
- Resources to be able to travel the State to oversee committees and drive the change necessary for the Government to gain the most benefit from the merger;
- The requisite skills to work with the Single Bargaining Unit, it's Delegates and nominated representatives;
- The ability to pull together staff to work on the project that have the required industry knowledge.

The final list of consultants should be worked through, in consultation with the SBU.

Attachment 1 – Letter from the Treasurer

CURTIS PITT MP

SHADOW TREASURER AND SHADOW MINISTER FOR TRADE
SHADOW MINISTER FOR ENERGY AND WATER SUPPLY
SHADOW MINISTER FOR ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS
MEMBER FOR MULGRAVE
PO Box 15987, City East QLD 4002
(07) 3234 8787



Ref: C/14/8670

Peter Simpson
Branch Secretary
Electrical Trades Union Qld and NT
PO Box 3520
South Brisbane QLD 4101

17 November 2014

Dear Mr Simpson,

RE: Newman Attacks on pay and conditions for Electricity workers

On behalf of the Parliamentary Labor Party, I want to convey my support to you at a time that the Newman Government is placing unfair pressure on your members.

Let me be very clear – the Newman LNP Government will sell off electricity assets.

Labor will not.

In addition to Labor's strong commitment to retain assets in public hands, there are a range of industrial issues emerging that I believe go to the core of the work of your members in the electricity sector.

Need for fair industrial relations:

The LNP has already stripped workers of bargaining rights; introducing extreme industrial relations laws that in some cases go even further than the reviled WorkChoices.

Labor believes in the dignity of work. I have made a commitment that a Labor Government will reject the LNP's attacks on workers and restore a fair industrial relations system that provides government workers, including those in Government Owned Corporations, with the right to pursue their collective interests.

Maintenance of current conditions:

I understand that there are a raft of long held conditions that are in existing EBAs that are now under threat through the Newman Government's bargaining strategies, in particular: -

- Job security for all employees, not just existing employees;
- Changes to the EDSD Allowance;

- Changes to existing and effective disputes consultation provisions;
- Changes to single person tasks, changes that will ultimately see Electricity workers out working alone on live components;
- Removal of Use of Contractor protections;
- Significant reduction in minimum apprentice numbers in Ergon and Energex;
- Forcing a vote on employees despite their Unions strong objections.

A future Palaszczuk Labor Government would ensure that these cuts were reversed.

Workplace Health and Safety:

The Newman LNP Government has watered down workplace health and safety standards on Queensland worksites, creating significant risks for workers.

Labor will prioritise and improve workplace health and safety protection in Queensland. Labor will empower workplace health and safety representatives to have appropriate authority to stop dangerous workplace activities when a worksite or a particular activity on site is a safety risk, including the ability to direct that unsafe work to stop.

Labor will restore the appropriate role of workplace health and safety representatives in inspecting and assessing potentially unsafe sites, investigating incidents and helping to prevent workplace injuries, including the right of a WHS Entry Permit holder to immediately access a workplace where they suspect that there are safety contraventions occurring.

I also understand that the Newman Government is trying to strip your members of workplace health and safety standards – standards that are important in the electricity industry. If Labor wins Government we will restore safety and job security measures, should the Newman Government strip them out of current agreements.

Labor will ensure the pay, job security and health and safety standards that were included in agreements under the previous Labor Government are restored if stripped away by the Newman government.

Workers' Compensation:

The Newman LNP Government has also attacked Queensland's Workers' Compensation system. Labor believes that Queenslanders who are injured at work deserve support and protection to get back to work and provide for their families. A future Labor Government will restore Queensland's workers' compensation scheme to its proper place as the nation's leading scheme.

Yours sincerely



Curtis Pitt MP
Shadow Treasurer

Attachment Two – Draft Merger EBA Clause

(ENERGEX, Ergon Energy & Powerlink)

Amalgamation/Merger

The parties acknowledge the impending amalgamation of ENERGEX Limited, Ergon Energy Limited and the Queensland Electricity Transmission Corporation (Powerlink) and agree that such a merger will require good Industrial Relations, consultation with the respective workforces as well as coordination between the Unions of the Single Bargaining Unit.

To facilitate this, the Corporation shall: -

1. Release one representative of the SBU on a permanent basis, to act as SBU representative to coordinate committees, liaise with the SBU and assist with the various functions that will emanate through the merger process;
2. Release Delegates nominated by each respective Union to sit on the various committees that will be required during the merger process;
3. Ensure that all costs associated with the release of Delegates is met by the Corporation.

Clause XX

APPLICATION This Agreement applies to:

- (Corporation) (ACN #####);
- Employees of (Corporation) Corporation Limited unless otherwise expressly stated who are employed in, or in connection with any calling, trade, craft, vocation or profession referred to in the classification structure as contained in this Agreement, or in the transmission, distribution, generation, supply or sale of electricity; and
- The Unions signatory to this Agreement.
- This Agreement does not apply to:
- Employees of (Corporation) who are paid a salary for the purposes of superannuation which exceeds 115% of the rate prescribed for Salary Point 16.5 contained in Schedule XX of this Agreement;
- The Parties to this Agreement acknowledge that due to the possibility of an amalgamation of this Corporation, with two other Government Owned Corporations, a replacement Agreement of the amalgamated entity may be negotiated during the life of this Agreement, in which case this Agreement may be superseded, in accordance with any provisions the Fair Work Act and Regulations.

Clause XX

Wage Increases

This Agreement provides for the following guaranteed compounding salary increases:

- From the expiry of the current Agreement, a Xx5% wage adjustment plus a further X% productivity payment for a total of Xx%;
- From the 1st anniversary a further Xx% wage adjustment plus a further X% productivity payment for a total of XX %; and
- From the 2nd anniversary a further Xx% wage adjustment plus a further X% productivity payment for a total of XX%. The X% productivity payments available via this Agreement will be based on Ergon Energy employee's contribution to the implementation and delivery of the agreed productivity initiatives over the life of the Agreement.
- The Parties have agreed to a review over the life of this Agreement based on the movement in CPI over the full term of this Agreement, and adjust base rate where CPI has moved by a higher total percentage amount than the base rate increases provided by this Agreement (10.88%). Such adjustment will take the form of an increase by the percentage necessary to ensure that base rates have moved by at least the same amount as CPI over the term of this Agreement, and will be payable prospectively from the last pay period within the nominal term of this Agreement. CPI means Consumer Price Index, Australia (Australian Bureau of Statistics Cat. No. 6401.0) for Capital City Brisbane, percentage change in the index from the last quarter reported prior to certification to the equivalent quarter three (3) years later.