

S165 Industrial Relations Act 2016

Qld Plan Foundation: Economy, Health and Wellbeing, People, Infrastructure and Governance

State Electorate: Cairns / Barron River / Mulgrave / Cook / Hill / Traeger / Hinchinbrook

Federal Electorate: Leichhardt / Kennedy

Council: All member councils

Priority Recommendation

FNQROC seeks the Queensland Government to support an amendment to the S165 IR Act 2016 to allow 'employee collective' agreements to be developed, providing a fair, equitable and democratic platform for negotiations.

Project Overview

Under the current S165 Industrial Relations Act 2016 there is an inability to negotiate an 'employee collective' agreement, therefore not providing a fair, equitable and democratic platform for IR negotiations.

Current Issues:

1. The Queensland Industrial Relations Commission (QIRC) has interpreted under this act that you can only establish an employee collective agreement if unions choose not to get involved.
2. Currently there stands a refusal of non-union employee representation at EBA meetings despite union membership only equal to 30% of the CRC workforce.
3. All parties must agree before an offer can go to the vote and in the case of CRC this involves nine (9) unions, plus council. Employees who are not union members are effectively excluded from this process and only union members are involved in deciding if an offer goes to a vote of all employees.
4. Effectively, union members are afforded a preference in the process over and above non-union members who represent the majority of the workforce.

Suggested Solutions:

1. There needs to be the ability for the majority of employees who are not members of the union to participate in negotiations. The Act should be amended to allow 'employee collective agreements' where unions may participate to represent their members and non-members have representatives at the negotiating table (Addressing Items 1 and 2 above)
2. There is a requirement for all parties to negotiate in good faith which must always be observed. The Act should be amended to allow for an employer to put an offer to a vote of all employees, so all employees are afforded the opportunity to have a say via the voting process (Addressing Items 3 and 4 above)

CRC Background Summary:

- Nine (9) Unions representing approx. 30% of the total workforce
- Negotiations commenced in June 2017 with monthly 1 day meetings, 2 day meetings were then held up until February 2018 and then moved to monthly 1 day meetings thereafter due to lack of progress.

S165 Industrial Relations Act 2016 (Cont)

- Unrealistic and unreasonable Log of Claims (LOC) by Unions. CRC costed LOC by Unions at \$123M additional wage costs over the life of the agreement and would require an initial 10% rate increase to cover. After ten (10) months of negotiations a difference of \$13M in wage offer alone still remains.
- Six (6) wage offers have been presented by management and **all** have been rejected by the Unions (see table below).

	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6 (26 July 2018)
1 July 2017	1.9%	1.9%	2.5%	2.25%	0	2.25%
1 July 2018	CPI	CPI	2.5%	2% / CPI	4.5%	2.5%
1 July 2019	CPI	CPI	2.5%	2% / CPI	2% / CPI	2% / CPI
1 July 2020	CPI	CPI	2.5%	2% / CPI	2% / CPI	2% / CPI
1 July 2021						2% / CPI
Sign-on Bonus	\$1,500	\$2,500	0	\$700	\$2,500	\$2,500
Conditions	No material change to current agreement	No material change to current agreement	Removal of no forced redundancies provisions	No material change to current agreement	No material change to current agreement	

- Recently the Union offered the following 26 July and then 30th August:

	26 July 2018	30 August 2018
1 July 2017	2.25%	3.5%
1 July 2018	4.5%	3.5%
1 July 2019	2% / CPI	3.5%
1 July 2020	2% / CPI	3.5%
1 July 2021	2% / CPI	3.5%
Sign-on Bonus	\$2,500	

- An application for a scope order with the Qld Industrial Relations Commission has now been made by 7 of the 9 Unions. The purpose of the application is to break up the currently proposed single agreement into two separate agreements; essentially a separate indoor and outdoor certified agreement which council opposes.
- Management repeatedly asked that it be the employees who decide if the offer is reasonable by means of a vote. This has been rejected by the Unions.
- 75% of staff who provided feedback via an email in March stated they wished to be allowed to vote on the current offer – extremely frustrated they have no ability to influence their employment conditions.
- 178 employees from 7 Unions (AWU and United Voice did not participate) took Protected Industrial Action on 19 April 2018. This represents **14.9%** of Councils workforce.
- Non-union employees are disgruntled of their inability to both not be represented at the negotiation table and unable to vote on an offer until Unions agree.
- Non-union employees have been at times, unable to provide feedback to Unions during Unions 'report back meetings' with Union only considering the views of union members

- Despite saying they represent union and 'potential union members'.
- Council resolved to make two administrative payments to employees as a result of being unable to present an offer for employee to vote:
 - 2.25% backdated 1 July 2017
 - 2% or CPI whichever is the highest 1 July 2018

Key Strategic Drivers

Economic	Supports stable employment and growth
Social Enterprise	Establishes a shared vision in support of improved communities
Employment	Provides foundational for a fair, equitable and democratic workplace supporting ongoing employment opportunities and growth
Tourism	N/A