

DARWIN PORT CORPORATION - INFORMATION SHEET 2/2014

IMPROVED OFFER FOR A NEW ENTERPRISE AGREEMENT

This information sheet outlines the terms of the Commissioner for Public Employment's improved "without prejudice" offer which was made on 4 June 2014 to the Australian Maritime Officers' Union (AMOU), the Maritime Union of Australia (MUA) and the Australian Manufacturing Workers' Union (AMWU) for a new enterprise agreement to replace the Darwin Port Corporation (Northern Territory Public Sector) 2011 – 2014 Enterprise Agreement, which is due to expire on 30 June 2014.

To address the rising budget deficit, the Northern Territory Government has had to implement a tighter fiscal strategy to bring expenditure under control. This strategy is reflected in the Budget handed down in May last year.

In response to current financial pressures, the Northern Territory Government has approved the [Northern Territory Public Sector Wages Policy 2013 - 2016](#) (the Wages Policy). The objectives of the Wages Policy include:

- ensuring costs arising from bargaining outcomes are kept within the Government's fiscal parameters; and
- delivering increased efficiency, effectiveness, savings, service outcomes and workplace reform across agencies (efficiency measures).

Of particular note is that the total overall cost of an agreement outcome (including the cost of salary and allowances, salary restructuring, changes to conditions etc.) is capped at 3 per cent per annum and is subject to efficiency measures being achieved.

New agreements will not be able to contain provisions that restrict the government's capacity to allocate financial, capital or human resources according to its policy priorities, or to restrict the powers and functions of the Commissioner for Public Employment and Chief Executive Officers (CEOs) under applicable legislation.

This improved offer has been developed in accordance with the Wages Policy, and it is considered to be a fair and reasonable, taking into account the current budgetary environment locally and nationally, forecasted CPI over the relevant period, and improvements made to conditions in previous bargaining.

The terms of this offer comprise a total package of improvements and changes to terms and conditions of employment. The salary offer is dependent on the achievement of the proposed efficiencies and if these cannot be achieved the Commissioner for Public Employment reserves the right to vary the salary component accordingly.

Enterprise Agreement

The new agreement to be in the form of an enterprise agreement made under the Fair Work Act 2009.

Duration

The new agreement to have a four year term expiring 12 months after the final salary increase paid under the agreement which will provide employees with stability in terms and conditions for the next four years.

Salary Quantum

Subject to the achievement of the efficiency measures in this offer and the approval of the agreement by the Fair Work Commission, if in-principle agreement is reached on all matters before 30 June 2014:

- An initial salary increase of 3% to be paid effective from 1 July 2014; and
- Salary increases of 3% per annum for the following three years after the initial salary increase, to be paid at 12 monthly intervals.

Salary increases under the new agreement will not apply to employees who cease employment with the NTPS prior to approval of the agreement by Fair Work Commission.

Superannuation Guarantee

Current Commonwealth legislation provides progressive increases to the Superannuation Guarantee (SG) charge from 1 July 2013, from the current level of 9.25 per cent to 12 per cent by 1 July 2019. SG is the compulsory system of superannuation support for eligible employees, paid for by employers. The increases apply to eligible NTPS employees not already receiving the minimum SG amount through membership of a defined benefit scheme.

Some employers, including public sector employers, have opted to off-set the cost of future superannuation contribution increases against wage increases. The Northern Territory Government has decided not to offset the salary offers against increases in the SG during the term of the agreement. This means that the SG increases will be paid in addition to the annual 3 per cent wage increases, rather than being included as part of the annual wage increases on offer.

The current schedule of increases to Superannuation Guarantee over the proposed period of the Agreement is as follows:

Period	Super guarantee rate (charge percentage)
1 July 2014 – 30 June 2015	9.50%
1 July 2015 – 30 June 2016	10.00%
1 July 2016 – 30 June 2017	10.50%
1 July 2017 – 30 June 2018	11.00%

Market Trade Allowance

It proposed to retain the current Market Trade Allowance for the term of the agreement. The allowance is based on the Power and Water Corporation Industry Specific Skills Allowance (ISSA), which was retained as a fixed amount in their current enterprise agreement.

Common NTPS conditions of employment

To retain a common core of NTPS conditions of employment, and in keeping with historical practice, the provisions achieved in the NTPS 2013-2017 Enterprise Agreement (the NTPS General Agreement) are to be included in the new agreement.

Efficiencies

Introduction of day rates

Following the last round of enterprise bargaining unions indicated an interest in a proposal to introduce day rate arrangements for Control Tower Officers, Maritime Security Guards, and Marine Service Officers, and acknowledged the benefits this could have across these services.

It is proposed to introduce the day rates for these classifications to complement the current 12 hour shift work arrangements. This could provide an entry point for new officers by providing day shifts where training and development activities can be better managed; address any increased needs for port services during core business hours; and could also address any operational overlap requirements.

No existing staff would be required to convert to the day rate arrangement, nor would they be impacted by this proposal. The introduction of the arrangements would not affect the current rostering provisions, and may result in additional staffing being required to cover additional day requirements.

The hourly rate payable to new employees engaged under the arrangement would be based on the same hourly rates used for the relevant classification to the position they would hold (i.e. CTO, MSG or MSO).

Use of Contractors

The current Use of Contractors clause is out of date and refers to the Corporation providing the unions 'proposals' about the use of contractors and, in emergency situations, which implies that there may be cases when the Corporation is required to use contractors that are not part of the general 'proposed' practice'.

The 'proposals' were intended to explain the general use of contractors on a day to day / week to week basis; not on each occasion a contractor is used. Therefore, it is proposed to amend the clause to clarify the parties' understanding of the future operation of its provisions.

First Aid Allowance

DPC has reviewed workplaces and work health and safety requirements and, consistent with general NTPS arrangements, determined that payment of first aid allowance to all employees who hold a first aid certificate is not operationally necessary. DPC will establish a first aid officer policy in consultation with employees which will identify an appropriate number of designated officers across the respective DPC work groups, who will be eligible for the allowance.

However, it is proposed that all DPC employees currently holding a first aid certificate and receiving the first aid allowance may continue to receive the allowance for the period of their current certificate, provided they are listed as a first aid officer in their respective work area.

Contract of Employment (fixed period employment)

To align the provisions with the NTPS General agreement it is proposed to remove clause 53 Contract of Employment provisions which prevent fixed period employees having their services terminated due to insufficient work, as the PSEMA provisions provide for these arrangements. It was noted during bargaining that this would not impact on any current employees. It is further proposed that the remaining provisions of the clause would be better placed in DPC Policy documents (e.g. Attendance at Work and Engagement).

New Agreement

The agreement's provisions have generally operated well during the term of the agreement. However, there are some remnants of policy and procedure that could be better placed in PSEMA instruments or general policy which would provide the parties the ability to address process matters through consultation during the term of the agreement. There are also some conditions whose application could be improved through clarification of the provisions.

A draft working copy of a proposed new agreement developed to assist in bargaining was provided to the unions on 13 May 2014. In line with the Commissioner's initial offer of 30 April 2014, the draft copy incorporated:

- the retention of current relevant provisions;
- compliance with the NTPS Wages Policy 2013-2016;
- compliance with the Fair Work Act 2009 (the Act), and recent amendments that became effective from 1 January 2014;
- consistency in common provisions across NTPS Agreements for core conditions (for example, parental leave, personal leave);
- removal of policy and procedure where appropriate (e.g. the Code of Conduct and Disciplinary Procedures, Clothing and Attendance at Work provisions); and
- removal of references to other legislation where appropriate.

It was noted during negotiations that these changes have been considered by the unions, and generally accepted, however, the parties need to continue to work through the drafting matters which are subject to in-principle agreement.