



DPW EBA

Report

No.7 July 11, 2014

Two offers but nothing in the coffers

After five months of negotiations DPW have finally come to the table with an offer for their workforce. You may by now have seen the offer. DPW's highly riveting and well thought out publication "First Word" has hit the email waves attempting to capture your attention and frame the debate, rushing to be first to tell the workforce of the company's gracious offer, trumping the union who will inevitably put a negative spin on such generosity. We have nothing to hide so I will in fact attach a copy of this publication to this EBA report and with you analyse the company's offer.

It is necessary for this report to be detailed and give you the whole picture especially with the company spin-doctoring the whole affair.

The latest round of meetings took place on the 8-11 July. On the 8th it was clear not much had changed. No offer from the company; only an intention to continue to pursue their claims.

The company's claims are far-reaching and excessive and have been rejected by the union.

The MUA's offer of settlement to the company was categorically rejected by DPW. No claims had been agreed. On the 8th it was clearly spelt out that sites would be moving to take protected industrial action as the company was being completely unreasonable, not moving on or even costing any of our claims and offering no pay rise.

This message prompted the company to turn up the next day – very late – with an offer that had obviously been cobbled together during a morning of intellectual rigour. The two offers are as shown on the right on page 1 & 2.

DPW Offers

Overarching principles:

Package deal and No retrospectivity.
Offer A or Offer B

Offer A

Both parties agree to drop the claims and counter claims, and rollover the current agreement.

This would mean:

- Rollover the existing agreement (this means Part A and Part B)
- Four year agreement (prospective operation from date of Fair Work Commissions approval forwards)

Wages

Year	1	2	3	4
Increase	CPI* or 3%**	CPI	CPI	CPI
Productivity	1%	1%	1%	1%

*CPI Last quarter was 2.7%

**3% – This wage offer applies only if an in principle agreement is reached quickly (target 31 July 2014).

- Superannuation will stay at 12%. DP World Australia will continue to absorb any legislative increases.

The Productivity scheme will continue to exist. The framework will remain the same – a 1% pay increase available, per target period for a 5% improvement in the benchmark. Both parties would review the scheme to ensure it met achievable productivity targets.

Well... are you screaming with joy? We weren't. The message is if we don't accept either of these offers then the scorched earth approach will prevail. The scorched earth approach is identified later in this report. Firstly some analysis of the two offers and why we can't accept either company offer.

Offer A - Why not a rollover?

The last three years of the DPW agreement has been disastrous and the agreement needs to change to repair some of the damage caused by the company's new approach.

We have seen management resort to HR brutality and madness that has physically, socially and psychologically impacted upon DPW wharfies. The approach has been harsh and unreasonable and many of our claims are in fact non-cost and associated with making the workplace a better place to be in. In short we are seeking respect as workers from a company that has increasingly adopted the stick approach.

The current agreement does not go far enough to prevent this HR madness.

The Fremantle comrades have seen the reality of introduction of change into the workplace. We concede there has been a loss of work in the West but the company has been veracious in its greed to wind back conditions of work even though the union made huge

concessions and over 30 redundancies were enacted. DPW are still trying to reduce conditions and this is outside the agreement. There is too much scope for wholesale change in this agreement and it must fixed.

We have spent hours with DPW negotiating a new safety clause. Are we supposed to bin improvements on safety? We don't think so.

There is nothing in this agreement that caters for the introduction of automation and we have seen our clerical jobs stolen and transferred to management in Brisbane, the big brother cameras in straddles and the intent to automate Port Botany.

A rollover does not adequately deal with these circumstances.

Offer B

Offer B details

Would deliver some changes to the current Agreement. These changes would be items that have been discussed as being important to both groups.

Wage offer:

Year	1	2	3	4
Increase	CPI* or 3%**	CPI	CPI	CPI
Productivity	1%	1%	1%	1%

Plus revised productivity scheme that delivers improved performance for DP World Australia and delivers employees a financial incentive.

The company would agree to:

- Four year term of Agreement
- Safety clause – to be made available next week on the First Word website (firstword.dpworld.com.au)
- Automation deed at Port Botany Terminal
- A redundancy process that includes voluntary redundancies first
- Introduce the new employee leave/rostering system phone and web based
- Leave AMP, Selection Criteria, D&A and Graduated Retirement clauses in the EA as is

In return for changes to:

- Public Holiday and Closed Port Days moved to Part A including revised compulsion arrangements (bare minimum 75% FSE/VSE CPD & PH)
- Remove Picnic Days
- Notification arrangements moved to Part A, 4pm notification and 7 day allocation
- Guaranteed shift extensions
- Ability to cancel shift extensions

The company wants a productivity based at risk payment again. We were robbed last time. Productivity has risen and the company played games with the 1% last time. At risk is not on. Note the generous 5% for them and 1% for us approach. Nice touch.

Then of course a CPI wage increase. Wages are the last thing negotiated usually and are usually based on what's in the agreement. There's nothing in this offer noting that the wages position has not been rolled over.

There was no support for this offer from any member of the Part A negotiating committee.

DPW's Offer B

All of the ills of Option A are encapsulated in Offer B but there's more.

So the HR madness is not addressed, automation is not addressed, implementing radical change is not addressed and still a poor pay rise.

The trickery in Offer B is even more so in the list of items the parties would each agree to.

Here they are again in detail.

DPW would agree to the following

- Four year term of Agreement
- Safety clause – to be made available next week on the First Word website (firstword.dpworld.com.au)
- Automation deed at Port Botany Terminal
- A redundancy process that includes voluntary redundancies first
- Introduce the new employee leave/rostering system phone and web based
- Leave AMP, Selection Criteria, D&A and Graduated Retirement clauses in the EA as is

In return for changes to:

- Public Holiday and Closed Port Days moved to Part A including revised compulsion arrangements (bare minimum 75% FSE/VSE CPD & PH)
- Remove Picnic Days
- Notification arrangements moved to Part A, 4pm notification and 7 day allocation
- Guaranteed shift extensions
- Ability to cancel shift extensions

The list of things DPW would agree to is dangerously misleading. The reasons are:

The four-year term suits the company in an environment where automation will be extended.

The company safety proposal is a win for DPW. Garbed in safety but does not deliver. Our claim in addition to the safety clause is:

- *Dedicated Safety Facilitator(s) at each site and paid G5*
- Make up pay for workers compensation
- Can't be terminated while on workers comp
- *Number of HSRs on sites to be 1 per panel/line and 1 in 20 VSEs*

An automation deed would deal with process not our main claims on automation. It doesn't deliver jobs in

the gate, shorter hours of work nor certainty in coverage of work.

DPW's offers A & B do not deliver on automation, HR, change processes, safety or deliver a fair and decent wage outcome.

In practice we have have had a process of voluntary first redundancies. This offer looks more like a threat. This matter is not in the EBA but we are determined it should be in there to ensure some basic fairness.

The introduction of a new leave/rostering system is for DPW. Currently it is chronically broken and now they expect us to pay. We want an MUA allocator as part of the fix. DPW's offer rejects our claim.

The company wanted reference to various policies out of the agreement. This was because DPW rorted the policies and we took the fight up in the FWC. They wanted to stop us having the right to challenge their policies. Under the DPW offer B we could continue to challenge the disastrous and poorly managed application of these policies but not fix the problems. We want to fix the problems and the HR madness with AMPs and selection.

So far every concession DPW has made in this offer has been a ***win for them.***

So lets look at what they want on top.

More compulsion on Public Holidays. DPW want to smash wharfies Picnic Day (and have a relationship). Make your life more uncertain, irregular and difficult with regard to notification. Guaranteed shift extensions they can cancel when they like.

There was no support for this offer from any member of the Part A negotiating committee.

So then we get to the other option. This is what I call the DPW scorched earth offer. The following are DPW's claims. Now don't forget that on top of the claims they are making in the EBA the company are also joining with a heap of unscrupulous employers and attacking fundamental rights and conditions contained in our award through the award modernisation process.

These extra attacks, including on the 35-hour week and penalty rates, are included in this broad list of company claims.

Putting the two offers aside the company has stated they are pursuing this list of your hard won conditions.

DPW claims on their workforce in this EBA

1. Wage and allowance freeze for the proposed 3 year term of the agreement (link to productivity off set)
2. Remove FSE replacement clause (8.11) – meaning no more FSE's
3. Remove Vacant positions clause (8.15 – selection criteria) DPW propose a selection criteria that sits outside agreement as policy and can be changed without agreement
4. Amend upgrade clause from 2 hours to 4 hours before an upgrade is payable
5. Extensions must be guaranteed regardless of your availability
6. If VSE's are not available for public holiday they will not be paid. VSE should make themselves available for ALL public holidays
7. Closed Port day to be paid as per normal public holiday
8. Remove picnic day
9. Cashing out of Personal leave (16.9) to be amended to mean that regardless of how your employment is terminated (resignation/retirement/redundancy and death) you have to have 10 years service before it is cashed out
10. Dispute resolution – remove the ability for Fair Work Commission to arbitrate disputes relating to policy.
11. Delete VSE days (whether paid or not)
12. VSE "average graded rate" = 24 months worked rather than the current 12 months
13. New clause - Company may compel VSE's to meet business requirements
14. Introduction of 7 day allocation.
15. Evening & night shifts may be varied or cancelled, or have start times advanced or retarded by 8am on the day of the shift.
16. Ability to cancel shift extensions up to the end of the shift
17. Removal of Company policies from Agreement or as Appendix's to the Agreement
 - a. Absence Management
 - b. Selection Criteria
 - c. Graduated Retirement
 - d. Drug and Alcohol
22. Increase ability to compel employees to work public holidays and closed port days
23. Annual leave days to remain at 25 but be taken at 7 days in a week, thereby reducing your 5 weeks leave to less than 4.

These attacks on your conditions are in addition to DP World's attack on the award that underpins your agreement whereby they are seeking to:

1. Change the 35-hour week to a 38-hour week
2. Reduce or remove penalty rates
3. Remove day in lieu and/or penalty rates for Closed Port Days
4. Remove the cashing out of personal leave

The MUA's latest letter of offer to DPW follows. We have prepared clauses that cover the nature of the claims and will be negotiating the company next week from 16-18 July.

“WITHOUT PREJUDICE”

Friday, 11 July 2014

Mark Hulme
Chief Operating Officer
DP World Australia

Dear Mark,

Subject: Offer of Settlement (Option 2) – MUA/DPW EBA 2014

Thank you for finally tabling an offer in the negotiations for our new agreement. We have considered both your options tabled 9 July 2014 despite your refusal to send us a copy. We appreciate your costing of some of our claims, although as indicated we disagree in some cases with the correctness of the costings. We remain committed to working through this process.

On consideration of your initial offer we have altered our original offer of settlement. Noting your responses we provide you with the below “option 2” offer of settlement. Various clauses are attached accordingly to provide clarification on the MUA’s claims and also incorporate the DP World claims that we have considered. The MUA in this offer of settlement has amended its position considerably in order to achieve an expedited finalisation to this agreement.

1. Technology

a. Technology/automation principles

The MUA’s position on this matter has been outlined in several meetings between the parties. We remain greatly concerned that our jobs have been, and are being, transferred to management. We have not yet provided a full clause on these matters as the parties remain considerably apart on issues relating to automation and it’s implementation. Some facets of the automation and technological development issues cross-over and we have captured them in different points within our offer.

This remains an area of fundamental importance to us reaching agreement.

We identified the following issues in our first offer. Our method of dealing with these issues is now identified in parenthesis:

- Hours of work (We agree this is a Part B issue)
- Job scope and coverage (Work coverage clause)
- Redundancy matters (see clause and revised offer attached)
- Approach to implementation and ongoing negotiation (further discussions required)
- Information sharing and supply (awaiting company outline)
- Job selection (further discussions required)
- Grading (see grading clause – negotiated at Part B)
- Outsourcing (see work coverage clause)
- Empty/logistics park (see work coverage clause)
- Introduction of change (Implementation not to be part of the IOC provisions of the agreement)

2. Safety (Claim Amended)

- a. *Dedicated Safety Facilitator(s) at each site and paid G5*
- b. *Make up pay for workers compensation*
- c. *Can’t be terminated while on workers comp*
- d. *Number of HSRs on sites to be 1 per panel/line and 1 in 20 VSEs*

The clause that has been negotiated will apply in addition to the above points.

3. Redundancy

- a. *12 weeks upfront in addition to 3 weeks per year to a maximum 78 weeks*
- b. Detailed redundancy process – see redundancy clause

4. HR/Policies

- a. Improved sick leave process (appendix 1) – see clause attached
- b. Improved graduated retirement clause – see clause attached
- c. Improved selection criteria
- d. D&A – see clause attached
- e. VSE/Supp scratching to be included in agreement – see clause attached
- f. Domestic violence provisions – see clause attached
- g. Company to introduce app for employee records – note DPW claim agreed
- h. Licences to include any requirement to perform work including MSIC – see clause attached
- i. Agreed Bullying and Harassment process – ongoing joint process

5. Leave

- a. Improved Annual leave clause – see clause attached
- b. Improved personal leave clause (includes DP world claims) – see clause attached
- c. Detailed LSL clause (proposed by DP world) – *MUA will amend 5 year pro rata to 7 years* – see clause attached

6. Public Holidays

- a. *Improved Public holiday clause – to be offset by salary reduction where applicable – see clause attached*

7. Definitions

- a. EAP to be determined and inserted in definitions (drafting issue)
- b. Year means 1 July to 30 June (drafting issue)

8. Award

- a. SIA 2010 Award –include shift premium table in EA and reference to 35 hour week

9. Insourcing/allocation

- a. Outsourcing clause amended to work coverage clause
- b. *We will withdraw the accountability clause on the basis that an MUA allocator and allocation rules are agreed to be inserted into agreement*
- c. Provision of an MUA allocator – see work coverage clause

10. Grading/reclassification/review

- a. Ability to compel G7 role – note DPW claim agreed
- b. Controllers to be paid G6 - see grading clause
- c. *We will withdraw removing reference to G1 at induction on the basis we define induction period*
- d. Improved review/replacement clause – see reclassification clause
- e. Amended supplementary clause – see supplementary clause
- f. *Withdraw extension being considered part of the shift for the purposes of upgrades on the basis we define the status quo*
- g. Agree to DPW claim to remove cl 11.5.1– note DPW claim agreed

11. Superannuation

- a. Agree to company claim to remove cl 10.5.2 (on the basis of wage outcome) – note DPW claim agreed
- b. Members utilising the defined benefit scheme will need to receive the full benefit of superannuation increases as per accumulation plus members - see superannuation clause

12. Miscellaneous

- a. Improved Union leave and committee clause - see union leave-officials-ERC clause
- b. Meal breaks to be exclusive of walk/wash time (drafting)
- c. At sites where canteen facilities exist, they shall continue to be subsidised (drafting)
- d. Where an employee attends to site without their MSIC, they will be supplied a temporary card to enable them to work without disruption to the operation - (drafting)
- e. Women/Indigenous clause – see attached
- f. Improved implementation of change clause – see attached
- g. Improved DSP – see attached
- h. Improved grievance procedure – see attached

13. Wages

- a. 4% p.a. on salaries, wage tables and allowances
- b. Income protection at a cost of 2%
- c. Remove reference to at risk payments - drafting
- d. Escalating sign on bonus in the event the agreement is not finalised 30 June

The MUA remains available to continue to work through any issues remaining and we will continue to meet with DPW at site and national levels to finalise any outstanding issues. We are hopeful that you will be able to accommodate the clauses we have attached to this letter of offer and we can move to speedily finalise our negotiations, which we believe our proposals put us in the position to do.

Yours sincerely,

Warren Smith
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Maritime Union of Australia

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Your union will continue to negotiate with DPW but it is clear that for all our efforts the company is not recognising your legitimate claims, many of which are zero cost to the company. DPW have now costed some of our claims and with an MUA Allocator being virtually zero cost, why should there be an objection. It is rare in bargaining for all of any side's claims to get up. We do however need to see an agreement that deals with the problems we have faced over the last EBA.

The company spin-doctors are saying we have 140 claims. This is not true. We have drafted clauses that deal with all of our claims. Many are to ensure clarity or to place in the EBA processes which already occur in terms of HR and many which should be included for the sake of fairness alone. Many of these claims do not present a cost to DPW. It should be noted many of our claims are drafting matters to ensure the intent of the agreement is honoured.

We are heading to the pointy end of negotiations. Backpay as usual is threatened and no legitimate offer is on the table. The MUA does not believe there has been a genuine attempt by the company to deal with our claims.

The time will come for you to decide if you are prepared to take legal action to push the company to a sensible position. Talk this through with your Part A delegates, workmates and Branch officials.

We say come on DPW get serious and let's get a deal.