

Agreement Making in Government Owned Corporations

Guidance for Chief Executive Officers



Queensland Government

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Agreement Making in Government Owned Corporations

Guidance for Chief Executive Officers

This document provides guidance and/or direction to government owned corporations (GOCs) on the procedures for negotiating wage agreements and on the applicability of certain government industrial relations policies.

On 8 October 2001 the Government determined that the general wages policy for the Queensland Public Sector would not apply to GOCs and that separate guidelines would be developed for GOCs.

A Central Bargaining Unit (CBU) has been established within the Department of Industrial Relations (DIR) to oversee implementation of wages agreements in the Queensland public sector. The CBU will represent DIR in discussions with GOCs on wages agreements but will not become directly involved in the negotiation of those agreements.

Within the context of DIRs responsibility for industrial relations policy, an interdepartmental committee was established to develop and review these guidelines after 2 years of operation and to monitor industrial relations in GOCs. The committee comprises DIR (represented by the CBU), the Department of the Premier and Cabinet (Premier's), the Treasury Department (represented by the Office of Government Owned Corporations) and Queensland Transport. The DIR will retain the responsibility for the development of industrial relations policy. The application of those policies to GOCs will be as approved by the shareholding Ministers following consultation with the interdepartmental committee.

Each GOC has been provided with a nominated representative of the interdepartmental committee to contact regarding wages negotiations. Details of the nominated representatives are set out in the attached *Schedule of Nominated Representatives of the Interdepartmental Committee for Wages Negotiations in Government Owned Corporations*.

The following principles will apply to the conduct of industrial relations and the development and negotiation of agreements.

Principle 1

Remuneration levels in GOCs reflect agreed and relevant market comparisons but GOCs will be restricted from becoming market leaders in wages and conditions.

Guidelines

The focus of wages agreements should be on –

- Reasonable wage outcomes consistent with relevant wage movements and competitive pressures;
- Fiscal responsibility in negotiating wage outcomes consistent with underlying low inflation and outcomes in related sectors; and
- The use of appropriate indices as identified by the interdepartmental committee.

Principle 2

GOCs comply with the government's industrial relations policies where required.

Guidelines

While the broad wages policy for the Queensland Public Sector is not applicable to GOCs, the following government industrial relations policies will be required to be affirmed in employment and industrial relations plans submitted for approval –

- Use of the Queensland industrial relations jurisdiction;
- Collective agreements as opposed to individual contracts;

Shareholding Ministers, in consultation with the interdepartmental committee, may identify other government industrial relations policies that are to be affirmed in employment and industrial relations plans and may provide strategic advice to GOCs about matters with significant industrial relations implications.

Principle 3

GOCs will consult nominated representatives of the interdepartmental committee before and during the development of enterprise agreements. This will include the requirement to provide advice to the Cabinet Budget Review Committee (CBRC) at both the commencement and conclusion of negotiations. The initial Submission is to include a proposed negotiating framework. Before the agreement is finalised, a further Submission is to be made for the consideration of CBRC. The Submission is to include a copy of the draft agreement.

Guidelines

GOCs are required to develop a negotiating framework for the consideration of the CBRC prior to the commencement of negotiations. Nominated representatives of the interdepartmental committee will provide strategic advice to GOCs about the development of enterprise agreements and assist in the development of negotiating frameworks for consideration of CBRC.

The negotiating framework submission should include the details of the current environment (including market trends in wages and conditions, industrial climate and the details of the claims from unions), the terms of the proposed agreement and the proposed broad negotiating strategy.

Negotiating frameworks are to be lodged with CBRC no later than one month before negotiations are scheduled to commence.

GOCs will be required to consult with the nominated representative of the interdepartmental committee before and during the negotiation of agreements. This will also be necessary in ensuring that bargaining strategies and outcomes do not negatively impact on other GOCs.

In consultation with the interdepartmental committee, GOCs are to provide a further Submission for the consideration of CBRC before the proposed agreement is finalised. That Submission is to include a copy of the draft agreement.

Bargaining Structures

The use of certified agreements continues to be the preferred vehicle for the modification of wages and outcomes.

New individual contract employment arrangements should not be entered into where total fixed remuneration is less than the Public Service Award – State, Level AO-8, pay point 4 plus 12.75% (representing Queensland public service superannuation employer contribution). Consistent with Queensland Government policy, GOCs may not enter into Queensland Workplace Agreements (QWAs) in accordance with Section 193 (3) of the *Industrial Relations Act 1999* or into Australian Workplace Agreements (AWAs) or non-union agreements.

Schedule of Nominated Representatives of the Interdepartmental Committee for Wages Negotiations in Government Owned Corporations.

The Interdepartmental Committee for Agreement Making (ICAM) in GOCs will comprise –

Department of Premier and Cabinet – Chair

Michael Caldwell
Principal Policy Officer, Economic Policy – Telephone 3238 3337

Department of Industrial Relations – Member

Peter McKay
Senior Negotiator, Central Bargaining Unit – Telephone 3225 2368

Department of Transport – Member

Patrick Quirk
Director Ports Planning, Rail, Ports and Aviation Division – Telephone 3227 7620

Queensland Treasury – Member

Virginia McCabe
Office of Government Owned Corporations – Telephone 3224 4068

Murray Daniel
Office of Government Owned Corporations – Telephone 3224 5725

The nominated representatives of the interdepartmental committee on wages negotiations for government owned corporations are as follows;

Central Agency Representative

Central Bargaining Unit,
Department of Industrial Relations

Port of Brisbane Corporation
Bundaberg Port Authority
Gladstone Port Authority
Rockhampton Port Authority
Mackay Port Authority
Townsville Port Authority
Ports Corporations of Queensland
Queensland Rail
Brisbane market Corporation Ltd.
SunWater

Industrials Relations Unit,
Office Government Owned Corporations

Queensland Investment Corporation
Golden Casket Lottery Corporation
Tarong Energy Corporation
CS Energy Ltd.
Stanwell Corporation Ltd.
Enertrade
Powerlink Queensland
ENERGEX Ltd.
Sun Retail Pty. Ltd.

Ergon Energy Corporation Ltd.
Ergon Energy Pty. Ltd.