



Queensland Government

Guidelines for the Development of Employment and Industrial Relations Plans in Government Owned Corporations

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Guidelines for Developing Employment and Industrial Relations Plans Including Requirements of Shareholding Ministers on Specific Employment and Industrial Relations Matters

1. Main Purposes of Employment and Industrial Relations Plan

The main purpose of the Employment and Industrial Relations Plan (E&IR Plan) is to enable GOC boards, GOC management, shareholding ministers and government to monitor and review the employment and industrial relations policies and practices of GOCs. Whilst it is important for GOCs to address the commercial aspects of their operations in the development of their E & IR Plans, it is equally important for their industrial relations practices to be appropriately balanced in terms of community expectations and the demands on government for greater accountability and implementation of best practice standards. These guidelines also incorporate requirements of shareholding ministers in relation to specific employment and industrial relations matters not referred to in the GOC Act. Schedule 2 sets out the history, background and scope of E&IR planning in GOCs.

2. Developing The E & IR Plan

2.1 E&IR Planning Timetable

GOCs should, in the first instance, undertake preliminary discussions with shareholding ministers' departments, in developing their E&IR Plans. Consultation with shareholding ministers' departments should also occur once initial draft plans are prepared and again prior to formally submitting plans to shareholding ministers as part of Statements of Corporate Intent (SCIs) at the end of April. GOCs are to consult with the Department of Industrial Relations (DIR) and Office of Public Service Merit and Equity (OPSM&E), (located in the Department of the Premier and Cabinet), as required by the GOC Act.

It is important for sufficient time to be allowed during the consultation process, for the particular circumstances and needs of GOCs and of shareholding ministers, to be discussed and considered. The following timetable would ensure that all the requirements of E&IR planning could be met -

Mid February			Mid March			End April
Develop and/or review the basis for the corporation's E&IR Plan	Undertake preliminary discussions with portfolio minister's department and OGOC regarding the conceptual plan	Develop an initial draft plan	Consult with portfolio minister's department. Take into account comments and consult with DIR	Prepare a plan for board approval incorporating required changes, consult with unions and staff and review again	Consult with OGOC on the final plan and provide a copy to OPSM&E.	Submit draft E&IR Plan to shareholding ministers as part of the SCI

2.2 Content

In developing E & IR Plans, GOCs should:

1. Set out the broad strategic direction, goals and significant activities of the GOC in the area of employment and industrial relations. This should be consistent with the organisation's corporate undertakings and be aimed at achieving continuous improvement in employment and industrial relations management and practices. This should be done under the heading "E&IR Philosophy and Direction".
2. Identify significant emerging or expected employment or industrial relations issues for the corporation, as required by Section 171(2) of the GOC Act.
3. Include those matters described in Section 171(3) of the GOC Act.
4. Indicate how the Corporation intends to position itself in relation to E&IR issues and what E&IR risk management strategies it will adopt as a consequence.
5. Include performance indicators and targets for relevant E&IR matters including workplace health and safety. As an alternative, these may be included within the body of the SCI where Strategic Goals, Performance Indicators and Targets are addressed.
6. Address the specific matters set out in Schedule 1 including the measures adopted to address obligations under other relevant legislation, including:
 - *Equal Opportunity in Public Employment (EOPE) Act 1992*
 - *Workplace Health and Safety Act 1995*
 - *Anti-Discrimination Act 1991*
 - *Industrial Relations Act 1999*

Schedule 1 provides a pro forma giving detail of the actual content required under the GOC Act and by shareholding ministers.

SCHEDULE 1

PRO FORMA

SHAREHOLDER INFORMATION

1. E&IR Philosophy/Direction:

Indicate how the corporation intends to position itself on employment and industrial relations (E&IR) issues. What will its general stance on E&IR issues be and how will any resultant business/political risk be managed.

Outline the broad strategic direction and goals of the GOC for E&IR matters (these goals and targets may be set out in detail in the SCI proper). Importantly, indicate the desired organisational/employee culture and the areas of focus for employee productivity improvement and how these will complement one another.

Broadly indicate how the corporation intends to respond to the risk expectations of shareholding ministers, particularly in the areas of job security and responsible use of contractors.

Significant and Emerging Issues:

Identify any significant emerging or expected employment or industrial relations issues for the corporation, as required by Section 171(2) of the GOC Act, and indicate proposed responses in the plan period.

2. Directors/Senior Executive Remuneration

GOCs are required to provide information on directors and senior executive remuneration as required by section 171 (3) (a) of the GOC Act 1993.

This information should include details of chief executive and senior executive positions i.e. chief executive and **all** first report positions with total fixed remuneration over the agreed rate for an SES2 Level 1 (currently at November 2002 \$111,370) for the GOC and any subsidiary that is wholly owned and/or declared by regulation:

Non-Executive Directors

Non-Executive Directors	Directors' Fees	Committee Fees	Superannuation	Other	Total
Name					

CEO and Senior Executives

CEO/Senior Executives	Total Fixed Remuneration ¹	Motor Vehicle ²	Superannuation ³	Other Benefits ⁴	Total Remun.	Performance Payment Made ⁵
Position/Title						

1. Any salary sacrifice items plus cash salary;
2. Any pay component value for provision of a 'company' vehicle or car allowance for business usage of a private vehicle (other than by salary sacrifice);
3. Employer contributions to superannuation (other than by salary sacrifice);
4. Includes, but is not limited to, general/expense allowances, car parking, subscriptions, home telephone/communication expenses, FBT not elsewhere included, etc. (other than by salary sacrifice);
5. This is the actual payment made in the year immediately preceding the plan year relating to performance in the financial year two years prior to the plan period.

EMPLOYMENT AND INDUSTRIAL RELATIONS PLAN

Note:

- *The following Employment and Industrial Relations Plan should be commenced on a new page and is to be subject to consultation with Department of Industrial Relations, Office of Public Service Merit and Equity, staff and unions, in terms of Section 171 of the Government Owned Corporations Act 1993.*
- *The Office of Public Service Merit and Equity have advised that separate planning and reporting is required under the Equal Opportunity in Public Employment Act 1992 unless a specific exemption from those requirements has been provided by that Office and in those circumstances, the above requirement will be satisfied provided a final copy of the plan is provided to that office for its noting and record.*

3. Employment Conditions

The E & IR Plan should indicate the source and key detail only, of significant conditions of employment.

This should include predominant hours of work arrangements and work patterns and any significant conditions of employment that differ from –

- State standards, arising from awards of the Queensland Industrial Relations Commission or the *Industrial Relations Act 1999*; or
- Government industrial relations policies e.g. payout of sick leave.

List awards and enterprise agreements - for agreements list by title, certified agreement reference number and expiry dates.

Indicate compliance with the Government Policy Guidelines on Agreement Making in GOCs, subject to any applicable enterprise agreement provisions.

Note: A commitment within the E&IR Plan to comply with the Government Guidelines for Agreement Making in GOCs, subject to any relevant enterprise agreement provisions, will assure shareholding ministers that the following policies are being applied -

- *A preference for the Queensland Industrial Relations jurisdiction for Awards/Agreements and the regulation of employment conditions via collective agreements with unions rather than individual contracts;*
- *New individual contracts not being entered into where total fixed remuneration is less than the monetary equivalent of the Public Service Award – State, Level AO-8, pay point 4 plus 12.75%.; and*
- *In accordance with Section 192(3) of the Industrial Relations Act 1999, not entering into Queensland Workplace Agreements (QWAs) and in accordance with Queensland Government industrial relations policy, not entering into Australian Workplace Agreements (AWAs) or non-union agreements.*

4. Enterprise Bargaining

The E & IR Plan should provide details of enterprise bargaining initiatives. This information should include, but not be limited to, summary outcomes of any current EB Agreements and how they have operated or are operating.

GOCs have been made aware that the government approved the formation of an Interdepartmental Committee for Agreement Making (ICAM) to monitor wage bargaining in GOCs and also approved a set of guidelines to facilitate ICAM's monitoring role.

The existence of any union claims and/or bargaining notices and progress of any current negotiations, in relation to enterprise bargaining, should be indicated.

5. Employee Flexibility

A summary of current or proposed work practices which promote employee flexibility should be provided.

6. Type of Employment

GOCs are required to provide employment figures by type i.e. number of permanent full-time, permanent part-time and casual employees covered by an award or industrial agreement, the number of employees employed under an employment contract (broken up into CEO/Senior Executives and Other Contracts) and the number of employees engaged for fixed terms. Numbers should be expressed as full time equivalent positions.

An explanation of any significant changes in the type of employment during the financial year should also be given.

7. Use of Apprentices and Trainees

GOCs are required to provide information on the total numbers of apprentices and trainees employed by the corporation at the time of submission of the corporation's SCI. This information should differentiate those apprentices/trainees employed under Group Schemes.

8. Workplace Health & Safety

GOCs are required to provide a summary of the corporation's workplace health and safety policy, risk management strategies and performance as described by relevant safety indicators (eg – Lost Time Injury Frequency Rate (LTIFR) and Lost Time Injury Duration Rate (LTIDR) – these may be included in detail within the SCI proper).

Corporations should indicate when their workplace health and safety systems were last externally audited and briefly summarise results and actions to address deficiencies. If systems, policies and practices are not externally audited, provide details of how the performance of risk management systems, policies and practices are independently confirmed.

9. Equal Employment Opportunity and Anti-Discrimination

GOCs are required to provide a summary of the corporation's Equal Employment Opportunity and Anti-Discrimination Strategies.

The existence of corporation policies for EEO, anti-discrimination and equity in recruitment, selection and promotion is to be confirmed. GOCs should indicate whether these policies are included in induction training and periodic briefings for staff.

The corporation should confirm that current EEO plans are with OPSM&E or being developed.

GOCs should also outline any responses to the work and family issue and to the Pay Equity Inquiry Report of the Queensland Industrial Relations Commission (including any resultant statement of policy under Section 288 of the *Industrial Relations Act 1999*) (see www.ir.qld.gov.au/reports&submissions/worthvaluing/index.htm).

10. Interstate Acquisitions/Operations

GOC are required to outline the basis for the wages and conditions of employment that apply to interstate employees (eg, name of award/industrial agreement and jurisdiction).

11. Joint Venture Projects

GOCs are required to provide information on the employment relationship of staff involved in the operation of any joint venture assets. If staff are employees of the GOC or a subsidiary, award/agreement coverage should be indicated.

12. Management of the Relationship Between GOCs and Unions

GOCs are required to provide a summary of their policy and practices regarding their relationship with unions e.g. details of standing or other consultative bodies or practices.

13. Redundancy Provisions

Corporations should provide details of their redundancy policies including summary details of notice, severance payment, leave pay out (e.g., pro-rata long service leave, sick leave) and outplacement/transition allowances.

14. Job Security

GOCs are required to provide a summary of their position in relation to job security for employees. This should include a commitment to have “no forced redundancies” unless formally approved by the shareholding ministers.

15. Contracting Out

GOCs are required to provide a summary of their basis for the use of contractors. This should include the means for ensuring that contracting out is handled responsibly and in an orderly manner and that contractors’ employees performing the work have appropriate levels of competency and use safe work practices and systems.

16. Superannuation

GOCs are to provide a summary of the superannuation arrangements that apply to staff within the corporation and the corporation’s policy on the use of any surplus from defined benefits funds that may arise from time to time.

This should include numbers of staff covered by defined benefit arrangements and number in defined contribution (accumulation) arrangements, details of funds and employee and employer contribution rates. Any changes in contributions or benefits anticipated during the year should be detailed.

17. Consultation

A statement of consultations conducted in terms of Section 171 of *the Government Owned Corporations Act 1993* on the plan should be provided, along with broad details of feedback received and what was done in response.

SCHEDULE 2

HISTORY, BACKGROUND AND SCOPE OF E&IR PLANNING IN GOCS

History

Guidelines for the development of Employment and Industrial Relations Plans (E&IR Plans) for Government Owned Corporations (GOCs) were produced in 1993 by the then Department of Employment, Vocational Education, Training and Industrial Relations (DEVETIR) and the then Public Sector Management Commission (PSMC).

Since 1993, the number and structure of GOCs have significantly changed. In addition, there have been machinery of government changes that have affected DEVETIR and the PSMC. These changes, together with issues identified in relation to the monitoring of employment and industrial relations in GOCs, highlighted a need to develop new guidelines. A review of the current guidelines has been completed and details of the new guidelines are set out below.

Background and Scope of E&IR Planning

The regime for planning for and monitoring of employment and industrial relations in GOCs was outlined in the Queensland government's White Paper prepared by Queensland Treasury in March 1992. This regime remains largely unchanged with the government continuing to maintain its priority of ensuring that best practice standards of equity, merit and impartiality are upheld in all Queensland government employment areas. In this regard, the government is concerned to ensure that GOCs do not establish inappropriate precedents in relation to employment and industrial relations arrangements.

The government also recognises that, under the corporatisation principles outlined in the *Government Owned Corporations Act 1993* ("GOC Act"), each GOC Board is primarily accountable for the economic performance of its corporation, and as such, requires the flexibility to develop appropriate employment and industrial relations arrangements that recognise the specific circumstances faced by each corporation. GOC boards would therefore generally determine the human resource management standards suitable for their corporations, subject to certain principles and policies, which are set out in more detail in the new guidelines.

Section 114(1) of the GOC Act requires a GOC's Statement of Corporate Intent (SCI) to specify its financial and non-financial performance targets for its activities in the relevant financial year. Section 114(2) of the GOC Act requires each GOC to include an E & IR Plan (developed in accordance with section 171 of the GOC Act which sets out the matters that must be addressed) in its SCI. Section 171 of the GOC Act, for example, requires that in preparing the plan, relevant unions must be consulted. The plan must also outline the arrangements for all the major employment and industrial relations issues for the particular GOC, and include other matters required by shareholding ministers relating to, for example, specific employment, wage and industrial relations requirements.

Standards for the form and content of SCIs are established by shareholding ministers, portfolio departments and GOCs. In addition, the following GOC Act provisions enable

shareholding ministers to more formally influence the content of an SCI including its E & IR Plan:

- Section 117(1) of the GOC Act provides that shareholding ministers may return a draft SCI and request the board to further consider any matter in its draft SCI (including in its E & IR Plan) and revise the draft SCI in light of these considerations.
- Section 120(2) provides that shareholding ministers may, by written notice, direct a GOC board to modify its SCI (this may include, for example, specifying particular employment, wage and industrial relations requirements or standards not reflected in the GOC Act).
- Section 171(6) provides shareholding ministers with the option of directing GOC boards to take specified steps in relation to the preparation or review of their E & IR Plans.

Finally, Section 185(1) of the GOC Act provides that the shareholding ministers of a GOC may delegate their powers under section 133 of the GOC Act (i.e., the board to keep shareholding ministers informed and the board to give shareholding ministers the reports and information they require to enable them to make informed assessments on the GOCs operations) to any person. In the case of the Treasurer, as GOC Minister, this power may be delegated to the Under Treasurer and administratively to OGOC.

The shareholding ministers of a GOC may, under section 185(2) of the GOC Act, request the chief executive of their department to investigate, and report to them on, any matter relating to the GOC or a subsidiary or proposed subsidiary of the GOC.

Within this regime, the preceding guidelines, policies and standards are required to be applied by GOCs in preparation of their E&IR Plans and SCIs. It should be noted that these guidelines are to apply to planning for the 2003-2004 financial year onwards in relation to all GOCs and their subsidiaries, whether prescribed or otherwise, and also includes subsidiaries of GOCs (prescribed or otherwise).