

Meeting:	Hastings Deering Enterprise Agreement Negotiations – Meeting # 3		
Meeting Location:	Mackay Entertainment & Convention Centre	Date	Tuesday, 29 th June 2021
Attendees:	<p>Employee Bargaining Representative: Anthony Morrison (AM), Barrie Mead (BM), Bonnie Field (BF), Bronwyn Griffiths (BG), Matthew Wilson (MW), Tom Duff (TD), Mark Singleton (MS), Jason Davis (JD), Troy Tschirpig (TT), Joshua Forrest (JFO), Jason Pitt (JPT), Jason Powell (JP), Malcolm Rowe (MR), Dion De Luca (DD), Robert Dorward (RD), Sharon Brownsey (SBY), Peter Muiznieks (PMU), Tina Moore (TM), Terry Ahern (TA), Michael Assay (MA), Jeff Neil (JN), , Hayden Smith (HS), Glen Clark (GC), Brendan Mcdonough (BMC), Jesse Hawke (JH)</p> <p>Hastings Deering: Jake Fraser – Chair (JF), Daniel Viero (DV), Shelley-Anne Brace (SB), George Spink (GS), Jason Clery (JC), Peter Marin (PM), Craig Williamson (CW), Michael Bryan (MB)</p> <p>Union Representative: Kegan Scherf (KS), Taylor Bunnag (TB), Steve Pierce (SP)</p> <p>Apologies: Ashley Leis, Andrew Hardie, James Halliday, Shawn Entriiken, Steve Kidd, Craig Moyle</p>		

Items Discussed

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<p>JF – Welcome and Housekeeping. Overview for the next three days per the agenda emailed to the bargaining group last Thursday.</p> <p>CW – Safety Share – COVID-19 Update.</p> <p>JF – Reviewed minutes and action items from last meeting. Provided updates on action items:</p> <p>WageGuard Salary Sacrifice</p> <p>Jodie from WageGuard presented at last meeting and we have further detail to provide as part of our Day One agenda today.</p> <p>RemServ Options for Roadshow</p> <p>The business has reached out to RemServ to discuss options on how we can promote this across the regions.</p> <p>Parental Leave benefits referenced in induction and OneHD</p> <p>Currently working with digital to identify how we can make access easier.</p> <p>Market, Parts and Service and Wages Comparison Update</p> <p>JC, PM and JF shared a market, parts and service and wages presentation.</p> <p>MS – Go back to 2017 – 2018 of the agreement, we know Field Service wasn't Making money, but since the 5% increase we have made money. What are we doing different to make money even if we can't pass the expense back on to the customer?</p> <p>PM – Balancing the Direct Expenses through Training, etc. Pockets of the business will make money, but not all.</p> <p>DV – Largest Direct Expense is unutilised labour, we have taken the impact as a business to ensure we are not having unutilised labour.</p> <p>PM & DV – Provided an update in relation to the loss of significant customer component tender. The customer is in the process of establishing their own component rebuild centre in Mackay and intends to focus on rebuilding their own power train components such as Torque Converters, Final Drives, Transmissions and Undercarriage. Their intent is to transition Final Drives in less than 3 months, Transmissions/Torque Converters in 6 – 9 months, with 80% of Power Train components transitioned within 9 months. Hydraulic Cylinders are also being explored to transition to a single vendor and an</p>	

Engine analysis is still under review. This will change our CRG model moving forward as this customer accounts for a significant amount of our component rebuild business. The customer's intention is to own the end-to-end supply chain moving forward with the customer stating significant cost savings.

JF – WageGuard / Income Protection Presentation

The Business has spoken in detail with Jodie at WageGuard as part of actions from our last meeting. WageGuard outlined at our last meeting that to support their current profitability challenges they have proposed a few options, one of which is a premium increase or a reduction in benefit offering. JF shared this detail and some options available.

Salary Sacrifice system was investigated and whilst there would be a large administrative burden, this is something the business can accommodate. This would also involve changes to the Income Protection clause in any future EA.

GS – Salary Sacrifice Option is a one in all in option.

JF – Yes, WageGuard is not a retail policy, it is a wholesale policy, therefore it has to be a one in all in scenario.

JF – Proposed wording amendments to EA Income Protection clause 22.1 presented.

KS – We will need to caucus and discuss further, can you please share the proposed wording that you have taken the group through.

GS – Employee Incentive Scheme (EIS) Presentation

GS shared a detailed presentation on the principles and mechanics of a proposed incentive and pilot scheme.

MS – We should make the areas (Mackay & Rockhampton) their own. Mackay has missed out at times because of Rockhampton and vice versa.

PM – we need to look at what is best for all and sundry. It is a valid point, but it might be worth splitting it, it might not.

MB – CQ Field Service EIS has only not been paid three times in the last couple of years it has been running. It drives awareness and creates a team mentality. KPI's like variance were removed as employees didn't have any influence over this and replaced with more relevant KPIs like timecard compliance.

BG – Bonnie and I are worried about the pick rate side of things because at the moment because of what is coming back from the mines. It needs to also reflect pick accuracy not just pick rate.

MS – the KPI's do get reviewed and removed if you cannot influence them. They have to work out what works best.

DV – it's a good point we want to promote the continuous improvement culture.

KS – Are we intending for this to sit in the EA?

DV – we intend for the EIS to operate outside of the EA and we will propose a high level clause, similar to current CQ Field Service scheme.

GS – At the moment we need to focus on how it would work mechanically and not get caught up on the metrics, the KPI's can be workshopped.

KS – In the example (Option A presented) strictly speaking the second KPI is amber so does that mean they wouldn't move to the base, but the Manager has said close enough so they can have it?

Draft
Wageguard EA
clause wording
to be attached
to the minutes.

EIS
presentation to
be attached to
the minutes.

DV – yes, correct, happens like that now.

KS – Do you have examples of a Branch or Area?

GS – we will work up some live examples once people are comfortable with the concept.

MS – Because they have made their stretch target (example 3), but absenteeism is red, does that mean they don't get it?

GS – Correct, this relies on the gateway targets.

MS – Absenteeism is a sketchy one, how are you going to manage that given what is going on with COVID at the moment and people will come to work sick?

GS – we will work out the measured KPI's. we want to do a pilot and determine if things like absenteeism is an appropriate measure.

Break for Morning Tea – EIS presentation continued after morning tea.

BG – Is a gate pass checklist worth considering. Everyone that comes in and out of the gate is a possible metric. If we are missing in Parts or Service does everyone miss out or is it segregated?

GS – No, everyone shares what is available.

JH – what visibility will the committee have? Other areas can impact PADE. How would the dispute process work?

GS – Dispute would go to sub committee and if it is unresolved, it would follow the EA dispute resolution process. PADE is on 401 & 301 so you can control.

JH - If a rework happened in Brisbane but Rockhampton wears the cost, what is the visibility?

GS – if there is a large rework then it would drag the whole of CQ down. If the rework is from another area then the other area should be wearing the cost.

JD – When we don't make PADE we get information on why we didn't such as: vehicle accident, reworks, etc. we know what has impacted it.

MB – Commercial Manager is involved review meetings and can reference the P&L so there is visibility into what has caused the shortfall. Branch & Department approves their P&L so majority of the time cost goes back to the Branch that caused the rework. Creates good conversation and talking points when something like this is introduced.

MS – The buy in is as much as you guys want to put into it, but you can make it work. NCC meetings help provide even further visibility for us.

Break to assess Government announced COVID lockdowns in SEQ and Townsville Regions

DV – Government has just announced, as of 6pm today SEQ & Townsville are going into lockdown. Similar to March, if you are a non-essential worker you need to get back to your hometown by 6pm. We are busily looking for flights to get you all home, but some may have to travel home tomorrow. Accommodation will be extended for those that need it.

KS – We need to leave as AMWU are classed as non-essential workers and we need to get home before the lockdown so our view is to pull up here and reconvene another day.

DV – We only have 20 minutes left of the EIS presentation so let's continue through that.

GS – Finished EIS presentation.

AM – can you exclude probationary people from this scheme due to them being new and errors will be made?

GS – there is a lot of administrative work behind this so it may be necessary to get people up to speed quick enough through continuous improvement processes.

TS – I got pinged in CIT for low utilisation because travel isn't calculated.

DV – that is why the metric that has been chosen is productivity and not utilisation.

TA – can the bonus be paid on an off-pay week so it doesn't get eaten up by tax? GS – There would not be extra Tax.

JD – when the bonus is paid out you get two pay slips, one for normal pay and one for the bonus so it does not impact that particular pay's tax.

JN – What is the dollar value of the bonus?

GS – Still to be determined based on overall package.

EA 2021 Company Offer

DV shared a company offer to support EA 2021 negotiations. Detail of the offer is more than fair and reasonable considering where we sit in the market with our already leading wages and conditions. These financial and non-financial benefits on offer in addition to the retention of all other market leading conditions will place us in a good position for the next 3 years.

KS – WG isn't mentioned does it form part of the offer?

DV – Yes, subject to the wage package negotiated and salary sacrifice feedback.

Caucus

KS – we have talked about the offer in some detail, we would like the EIS presentation, WageGuard clause, etc. and will discuss with the bargaining group. There are other items in the parking lot that are delegate specific that we would like to discuss. We would like all that information so we can see the mechanics and formulate a response.

GS – Clarified with KS that he wanted to see a full marked up draft version of the EA document as part of the information requested to contemplate the Company Offer.

DV- Can you please send me a list of the log items that are delegate specific parking lot items that you would like to speak about.

KS – WageGuard is a big one, Field Service Travel still problematic. Relief Leading Hand important.

JD – Relief leading hand rate to be same percentage across the day rather than \$18.58 per day.

KS – We will provide a listing of all parking lot items that we still need to work through.

DV – Field Service travel cannot go back to the level it was. I have showed up with a genuine offer and this covers the field travel issue.

MS – With Wageguard if the 0.4% is absorbed by the employees would the company stay at the percentage offer for the wage increase with the employees paying 0.4%?

DV – Wage offer is subject to employees absorbing the 0.4% proposed Wageguard premium rise. It is a significant cost for the company to absorb any premium increases with Wageguard. We were clear in the company log of claims that Wageguard was to have no additional cost impact to the company.

KS to providing a listing of parking lot items that need to be worked through

KS – How about the Labour hire claim item in the company log?

DV – We spoke about this in the first meeting. This is the main points from a Rem offer but happy to discuss the rest.

SP – No comment at this stage, want to see the whole offer and discuss the stuff I have in the parking lot.

Agreement was reached that no party would divulge the company offer information as it has not been negotiated. High level feedback meetings will occur with the workforce this week and communications will be circulated to ensure any questions answered by either party are on the same page. An email with key talking points will be circulated this afternoon to support with consistent feedback to the workforce.

PMU – can we discuss the EIS openly?

DV – Without the full information and understanding, people can get negative when the intent is positive for them so not at this stage, please.

SP – Some of the policies that were sent out and marked up for discussion still. Happy for them to be circulated for everyone to review before discussing. HSR policy not reviewed as it does not impact our members.

JF – We will look to hold another meeting soon to work through the parking lot items and have further discussion on the company offer. Subject to COVID and travel impacts we may need to look at holding this via Microsoft teams. Thanks for your participation and involvement today and safe travels.

Close – 2.15pm

END OF MINUTES