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9 May 2007

Julia Gillard
Deputy Federal Labor Leader,
Shadow Minister for Employment & Industrial Relations, Social Inclusion
PO Locked Bag 14
Werribee VIC 3030

Dear Julia,

Thank you for meeting with AMMA's Board of Directors and Executive in Melbourne last Wednesday 2 May 2007.

The exchange of views was certainly productive. Clarification of IR issues associated with the booming resources sector and the ALP's policy consideration process was significant and remains important.

AMMA looks forward to continuing this dialogue with you in the week commencing 14 May 2007.

As you are aware AMMA has indicated that some of the ALP's policy concerns with the current AWA system may be satisfactorily addressed by re-introducing the 1996 'global no disadvantage test' into a future statutory individual agreement model.

Note: All other legislative machinery aspects associated with the existing individual statutory agreement arrangements would need to remain, for example the test to be based against core award safety net minima as is currently the case.

We welcome your preparedness to discuss this option with AMMA. (Reference ABC's PM program 3 May 2007.)

We have detailed below the features of a statutory individual agreement making system underpinned by the previous global no disadvantage test which may meet the needs of the resources sector.

The proposed core award safety net minima conditions (previously referred to as the 20 allowable matters) would be:

1. Classifications and skilled based careers paths.
2. Ordinary time hours of work, spans of hours, breaks, notice periods and variation of working times.
3. Rates of pay, including for apprentices, trainees and supported wage system.

4. Incentive based payments (not tallies), piece rates, and bonuses.
5. Annual leave and leave loadings.
6. Personal/carer's leave, including sick, family, bereavement, compassionate, cultural and like forms of leave.
7. Parental leave.
8. Public holidays.
9. Allowances
10. Overtime, casual or shift loadings.
11. Penalty rates.
12. Redundancy pay by employers with more than 15 employees.
13. Notice of termination.
14. Stand down provisions.
15. Dispute settling procedures.
16. Type of employment – full-time, casual, part-time, shift.
17. Pay and conditions for outworkers.

Note: Jury service, superannuation and long service leave have been deleted as other legislation covers these matters

The following provisions, which currently apply to the operation of statutory individual agreements, would need to continue, including:

- The employer would be required to provide details concerning the nature and effect of the agreement and, subject to the expiration of a waiting period (which could be waived by consent), the agreement would commence from the time of lodgment.
- The agreement could have a life of up to 5 years and would remain in force until terminated.
- The content of the agreement would be restricted to matters pertaining to the relationship between the employer and the employees and content which breached freedom of association provisions would not be permissible.
- Industrial action would be prohibited during the operation of the agreement.
- Involvement of third parties in the negotiation process would be restricted to persons appointed as bargaining agents.
- Such agreements can be offered as a condition of employment and/or at any time during employment.

Note: As you are aware employees in the resources sector are paid significantly above award rates. Accordingly the package of terms and conditions agreed to by individual employees and employers do not offend core award safety net minima. This has been the case for many years now.



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For record purposes it is noted that AMMA's preference is for the retention of WorkChoices Australian Workplace Agreements - an option consistently rejected by the ALP. Having stated this, AMMA believes that a global no disadvantage test system of statutory individual agreement making, as detailed above, may meet the needs of the resources sector.

We look forward to further discussing this proposal with you at a suitable time in the week commencing 14 May 2007.

Regards,

A handwritten signature in blue ink, appearing to read 'Steve Knott', is placed over a light blue dotted rectangular area.

Steve Knott
Chief Executive - AMMA