



our people shaping your future



AmGas - Background

- Operates in Hydrocarbon and Power Generation Industry
- Has offshore platform, moves gas to Rottnest Island using company owned vessels, processes gas and pipes to Perth.
- Supplies gas to Perth (domestic) and commercial (power generation)
- Is about to commence constructing additional LPG processing facility on Rottnest Island in March 2010
- Has non-union arrangements based on expired AWAs, ITEAs, Pre-FWA Collective Agreement (ends 31 Dec 2009), common law contracts
- In 2006 Employee satisfaction survey – trust level of 76%
- HR downsized in 2007 - middle management downsized in late 2008
- You were recently offered a package you couldn't refuse and today is your first day.



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Week One

- An organiser is at the gate with a RoE notice
- After meeting with some of the employees he tells you he wants to negotiate a collective agreement for the project.
- He asks you to sign a deed titled ‘good faith bargaining principles’ which details how the Union and AmGas will conduct the negotiation.
- A journalist from the local newspaper rings to discuss rumors of union activity at AmGas

Commencement of bargaining

As you may know, the *Fair Work Act 2009* makes a number of important changes to the industrial relations framework in Australia. In the new environment:

- Employees have a right to join a union, to meaningful union representation and to participate collectively in workplace issues; and
- Employers have an obligation to bargain in good faith with unions towards the making of a collective enterprise agreement for the business.

This letter signals the commencement of bargaining under the *Fair Work Act 2009* and the law requires you to provide a 'representation notice' to your employees, within 14 days of the date of this letter. A copy of this notice is attached.

The law also requires you to meet us for discussions. Please advise us, in writing, of the earliest time at which you are available to meet.

While we are negotiating, we insist that all parties observe the Good Faith Bargaining Principles (attached) to ensure that the process is fair. Please confirm that you will observe these Principles, by signing the enclosed copy of the Principles in the place indicated and returning the copy to us.

We look forward to negotiating with you and to quickly concluding a collective enterprise agreement that gives your employees a fair deal and that gives your business certainty.

We remind you that the law prohibits you from victimising or taking adverse action against your employees because they are seeking to bargain collectively, or from misleading employees about their legal rights. Fines of up to \$33,000 apply [for a corporation].

GOOD FAITH BARGAINING PRINCIPLES

The Employer and the Union have agreed to bargain in good faith towards the making of a collective enterprise agreement. The Parties agree to abide by the following Good Faith Bargaining Principles:

Good faith: the Parties will negotiate with each other in good faith. They will genuinely try to come to an agreement. They will not do anything capricious or unfair which undermines collective bargaining or employees' freedom of association. ⁱ

Negotiations: the Parties will meet at reasonable times, and will genuinely participate in meetings. The Parties will give genuine consideration to each other's proposals, and will give reasons for their responses to proposals. The Employer will disclose all relevant information to the Union in a timely manner. If the Parties agree that certain information should be kept confidential, then they will not disclose that information to any third party without permission. ⁱⁱ

Status quo: while the Parties are negotiating, the Employer will maintain the status quo in the workplace. The Employer will not alter the pay and conditions of employees, nor make any individual or collective offers to the workforce. ⁱⁱⁱ

Representation rights: the Employer will allow the Union to enter the workplace and meet with employees at reasonable times to discuss the progress of negotiations. The Union may make reasonable use of the Employer's equipment (including photocopiers, noticeboards and email systems) in order to communicate with employees. The Employer will not interfere with employees' rights to speak to their Union. ^{iv}

Disputes: if the Parties become deadlocked over one or more matters, Fair Work Australia will decide the matter in dispute. ^v

The Parties agree that a breach of these Principles entitles the other Party to remedies under the *Fair Work Act 2009* and the common law.

The Employer agrees that the Union's members are intended to be a beneficiary of this agreement, and that the Union may enforce this agreement on their behalf.



Week Two

- The ETU has heard about the AWU meeting, and requests copies of the construction plans, tender documents (and responses), operational budget and labour costs so that it can prepare for the negotiation.
- Some non-union employees ask you if they can meet with you separately.



Week Three

- The negotiations are at an impasse
 - You want to hold a meeting of all employees to get your message across
 - The Unions asks for 25% and won't budge as 'you can easily afford it'
 - Your CEO sends out an company bulletin which talks up the multi billion dollar project and the need to avoid delays and extra costs.
 - The AWU and ETU apply for GFB orders as you have not offered any increase and claim you have bypassed them.



Week Four

- An foreign Government controlled company has acquired a controlling stake in AmGas.
- You are directed that the shipping services will now be provided by foreign crewed ships under the supervision of your existing masters (who have agreed to be employed by the new provider). This will reduce labour costs significantly.
- ABC Lateline has left a message for you to call them.