

8 September 2013

Mr Michael McNally
Industrial Officer
National Tertiary Education Union

Dr Jan Wegner
Branch President
National Tertiary Education Union

Mr Laurie Reilly
Staff Representative
National Tertiary Education Union

Mr Ken McKay
Advocate
Together

Mr Wal Giordani
Organiser
Electrical Trades Union

Dear Michael, Jan, Laurie, Ken and Wal,

Enterprise Bargaining Agreement Negotiations and Wage Offer

We refer to our meetings on Thursday 29 August 2013 and Friday 6 September 2013.

We also refer to our emails and discussions during this period including our email of 23 August 2013.

We have been negotiating for 12 months. Prior to our meeting on the 29 August, while we had made considerable inroads into narrowing the matters in dispute during our negotiations, it appeared to us there was a large number of clauses and matters that were close to finalisation.

We have focused our energy on narrowing the clauses in dispute, so we can listen and respond to the Unions requests to make a better pay offer.

While these are difficult economic times, we have been clear that it is not as simple as just reviewing budgets. The matters remaining in our Enterprise Agreement however has given us options to consider what alternatives for resolution may exist.

On Friday we agreed a range of clauses including:

- Clause 6 Operation;
- Clause 8 Definitions;
- Clause 9 Language allowance for aboriginal and Torres Strait Islanders;
- Clause 20 Casual academic staff;
- Clause 28 Loadings and allowances;
- Clause 32 IFAs;
- Clause 37 Managing ill health and injury; and
- Schedule 2, 3, 4, 5, 6, 7 and 8.

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At the conclusion of Friday's meeting there were some minor drafting and administrative matters that we agreed can be advanced by email exchange early next week. These include:

- Re-insertion of a modified version of the RCC schedule; and
- New clause to reduce casual teaching academics.

Therefore, following our meeting, we had narrowed all matters in dispute other than the following:

- Clause 5 Length of Agreement;
- Clause 19 (Agreed except 19.1.2 and 19.1.3 Research and Externally funded positions)
- Clause 26 Remuneration;
- Clause 29 Hours of work for professional and technical staff;
- Clause 30 Overtime and Toil – Professional and technical staff; and
- New Clause the actual percentage reduction in casual teaching academics.

However, many of these matters, by reason of this letter no longer remain in dispute as JCU is prepared to forgo further amendments, in the interests of finalisation of the Enterprise Agreement.

This letter confirms the offer made on Friday to finalise the Enterprise Agreement to allow it to be put to vote by employees.

Position to date

During our negotiations we have agreed to a range of important terms and conditions for employees. These are outlined in the **attached** table.

We consider the benefits JCU is offering staff under the Enterprise Agreement are on terms that are equivalent overall and in some cases more generous than what is offered either by other universities or other employers in North Queensland.

Summary of Offer by JCU

Taking into account the above matters, JCU is prepared to narrow the issues in dispute as part of its offer.

JCU has raised concerns about the future uncertainty in funding and the impact that it will have on employees and the University. We cannot predict the future. However, we are prepared to insulate, to the extent possible our employees from future uncertainty by allowing them to negotiate a new Enterprise Agreement in the short to medium term.

While the Unions have proposed a 4 year Enterprise Agreement and JCU has previously offered a 3 year agreement, on Friday JCU offered a 2 year Enterprise Agreement, to allow employees to obtain the benefits of negotiation earlier and for them to be in a position to influence matters at a time when the economic data is better known.

For this reason we propose the following:

- The Enterprise Agreement will have a nominal expiry date of 1 March 2015;
- The salary increase will be 3% in 2013, backdated to 1 June 2013 and paid to employees on 1 November, and 3% in 2014;
- JCU will forgo any further productivity increases arising from:
 - Changes to the span of hours in clause 29;
 - Changes to overtime and TOIL in clause 30;
 - Early termination of contracts for external funding fixed term provisions in clauses 19.1.2 and 19.1.3; and
- JCU will commit to a decrease in casual academic teaching over the life of the Enterprise Agreement of 10%.

Context of the Wage Position to date

As you are aware, the higher education sector is currently facing a tough economic climate, given the recent Federal Government cuts to the higher education sector. Unfortunately, JCU has not been immune from these reductions in funding to Universities nor is it immune from the increased competition for both domestic and international students affecting the entire sector.

From 2013, as a result of the reduction in funding to the University sector, JCU will experience approximately a \$26 million decrease in the funding it is to receive over the next three years. This will have a severe impact on JCU and its operating budget for the foreseeable future. An uncertain revenue base has been a big consideration in determining what pay increase can be sustained, consistent with JCU's fiscal and accounting responsibilities.

Despite these difficulties, JCU made a decision to support its employees with an administrative pay increase.

In 2013, twelve Australian Universities announced administrative increases. Out of the twelve Universities, JCU offered one of the highest increases of 2.6%. Unlike other Universities who are also currently involved in Enterprise Agreement negotiations JCU granted the administrative increase without being requested to do so by the Unions.

On 2 May 2013, JCU announced a wage increase of 3% subject to productivity gains.

In reaching its decision with regards to the level of wage increase, JCU gave consideration to many important factors. Not only factors that affect us as a university, but also the sector, the economy, our community and stakeholders.

We have also looked at the economic data available to us. This included the Consumer Price Index for Brisbane (2.0% as at June 2013), collective bargaining statistics, Fair Work Commission annual wage review (2.6% wage increase) and local and industry comparisons.

While wage increases are individual to each employer, JCU believes its wage offer is on parity with announced offers at:

- Deakin University - 3% each year for 3 years;
- Murdoch University - 4%, 2% and 2%;
- University of Sydney - 2.9% each year for 3 years; and
- University of Ballarat - 3% each year for 4 years

Further, JCU's wage increase also exceeds the proposed offers at:

- Australian National University - 2% each year for 3 years;
- Griffith University - 2%, 2% and 3%;
- RMIT - 2.5%, 2%, 2.5 and 2.5% in 2016; and
- Charles Sturt University - 2.9% in 2013 and 3% each year for further 3 years.

When you take all of these points into account JCU believes the offer is fair and reasonable.

Next Steps

JCU would like employees to be given the dignity of making a decision on whether they accept the terms and conditions of the Enterprise Agreement and the offer made.

We will work with you via email on the minor drafting and administrative matters listed above and then would like to meet for the purposes of finalising the wording of these clauses, and the terms of the offer to put the Enterprise Agreement and the offer to a vote by employees. Maria will be in touch to arrange a date for this meeting.

We look forward to meeting and discussing this further with you.

Regards



Professor Robyn McGuiggan

TABLE OF BENEFITS AND TERMS PROVIDED

JCU has agreed to these terms	JCU has maintained these terms
<ul style="list-style-type: none"> • Payment of an indigenous language allowance; • Domestic Violence Clause and Supporting Policy; • Additional Cultural Leave of up to 5 paid days for participation in obligatory cultural events; • Additional leave of up to 5 paid days for participation in state, national or international sporting events or competitions; • Introduction of 2 paid days Volunteering leave; • The ability to take annual leave at half pay; • The ability to cash out up to four (4) weeks' pay; • Internal advertisement of all HEWL 2-5 positions; • Casual conversion process for casual Academic Staff; • Reduction in casual teaching academics • Professional Loading for Professional and Technical Staff who undertake Academic duties; • Allowances for Health and Safety representatives; • A fairer more transparent process for dealing with matters of misconduct/serious misconduct; • Improved consultations arrangements regarding organisational change; and • Improved redeployment process. 	<ul style="list-style-type: none"> • Redundancy payments; • Parental leave provisions; • Annual leave provisions; • Leave loading; • Study assistance; • SSP provisions; and • Superannuation.