

AUSTRALIAN MARINE COMPLEX COMMON USER FACILITY

EMPLOYEE RELATIONS POLICY

and

PROCEDURES FOR ACCEPTANCE OF USERS EMPLOYEE RELATIONS MANAGEMENT PLANS

P-IR

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TABLE OF CONTENTS

1.0	GENERAL / SCOPE	3
1.1	PURPOSE	3
1.2	SCOPE	3
1.3	ACRONYMS / DEFINITIONS.....	3
2.0	EMPLOYEE RELATIONS POLICY	3
3.0	ORGANISATION – EMPLOYEE RELATIONS	4
4.0	PROCEDURES.....	5
4.1	<i>GENERAL PRINCIPLES.....</i>	5
4.2	<i>STABILITY.....</i>	5
4.3	<i>TERMS AND CONDITIONS.....</i>	5
4.4	<i>WORKPLACE AGREEMENT.....</i>	6
4.5	<i>WORKING HOURS</i>	6
4.6	<i>COMMITMENT FROM EMPLOYEES.....</i>	6
4.7	<i>MANAGEMENT OF DISPUTES</i>	7
4.8	<i>INFORMING THE FM</i>	7
4.9	<i>COOPERATION.....</i>	7
4.10	<i>RIGHT OF UNION ENTRY</i>	7
4.11	RIGHT OF AUDIT, SUSPENSION AND TERMINATION	8
4.12	<i>ERMP CONTENTS</i>	8
5.0	REFERENCES.....	9
6.0	ATTACHMENTS.....	9

1.0 GENERAL / SCOPE

1.1 PURPOSE

The Facility Manager (FM) employs management and administrative persons only and will therefore not be directly subjected to an Industrial dispute.

The purpose of this Instruction is to ensure that the Users and Contractors performing work for the FM or LandCorp are aware of the FM's policy and strategy for ensuring that Users have a robust Employee Relations Plan in place and that Industrial disputes are avoided or mitigated in the interests of the FM and Facility Users.

1.2 SCOPE

This Management Plan applies to;

- Users
- Contractors / Subcontractors performing work for the FM or LandCorp
- Facility Management personnel.

1.3 ACRONYMS / DEFINITIONS

Refer to **WI-IMS-01** – Definitions and acronyms

User – For this Instruction, "User" also includes Contractors / Subcontractors performing work for the FM or LandCorp. User is referred to as "Occupier" in the Fair Work Act 2009.

2.0 EMPLOYEE RELATIONS POLICY

This Employee Relations Policy is integral to the FM's overall business development plans for the facility. Key features of the overall strategy are as follows:

- The AMC-CUF provides facilities that will significantly improve the productivity of Australian industry and which are provided at licence rates that are competitive with comparable facilities worldwide. Employment terms that complement these advantages are required.
- Western Australia provides a stable, safe and secure environment, free of sovereign risk issues.
- "Certainty" in terms of, industrial relations, overall cost and schedule performance is critical to companies wishing to fabricate and assemble modules and equipment. To achieve this, the FM, Users and their Unions will promote a harmonious workplace, based on openness, transparency and timely negotiations. All parties will promote adherence to the State's objectives and to effective dispute resolution procedures.

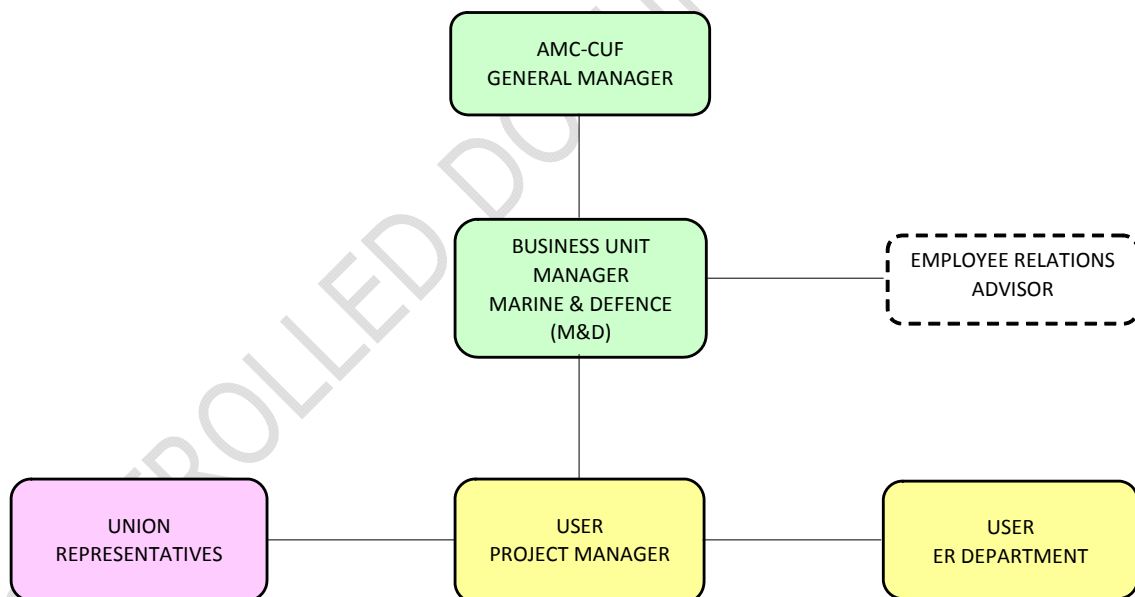
- The FM must be in a position to effectively coordinate the activities of different companies working concurrently at the facility in order to ensure fair utilisation of the facilities and that efforts are focussed towards “the greater good”.

This Employee Relations Policy (ERP) aims to match these requirements and in particular:

- encourage employment terms that enhance overall productivity and cost competitiveness;
- promote stability, openness between parties and confidence in the industrial relations environment at the AMC-CUF; and
- allow the FM to coordinate the activities of different companies (Users) at the facility.

As owner, the State Government of Western Australia promotes an industrial relations environment based on fairness and equity and states its preference that work at the facility should be based on Western Australian State industrial agreements as a minimum.

3.0 ORGANISATION – EMPLOYEE RELATIONS



The FM does not employ dedicated Employee Relations personnel; the BU Manager (M&D) is charged with coordinating ER activities with assistance from the BU Manager (OGR), the ER Consultant Advisor and the O&M and HSEQ managers if required.

The BU manager (M&D) is required to liaise with the following authorities, groups and bodies on ER matters;

- Landcorp
- Users
- Media – Media releases

4.0 PROCEDURES

4.1 *GENERAL PRINCIPLES*

Users wishing to use the AMC-CUF must sign a licence agreement (UA) before they can access the facility. The UA defines issues such as the assets to be used, the duration of the licence, the scope of work to be performed and the associated charges for facility use. Before a UA is unconditionally approved, the proposed User must submit an Employee Relations Management Plan (ERMP) to the FM that demonstrates that the User can acceptably manage its employees and contractors.

Users are expected to manage their own employees and contractors on site. They have discretion about the manner in which they manage their employees and contractors providing that they satisfy the requirements set out in this document and State and Federal legislations.

The following provides an outline of the principles that Users must accept and the scope of the ERMP material they must present to the FM before a UA is unconditionally approved.

4.2 *STABILITY*

The ERMP must demonstrate how the User's plans will be managed effectively and that they will result in a stable industrial environment at the CUF. It is important that a User's operations do not have an adverse impact on the operation of other Users at the CUF.

4.3 *TERMS AND CONDITIONS.*

Terms and conditions shall be included in the User ERMP so that the FM can make an assessment of the ERMP and overall remuneration levels proposed. Users will have flexibility in how they structure their working arrangements with employees and contractor's employees, providing the terms and conditions are considered acceptable. Users will recognise that the AMC-CUF will encourage work from a range of different industries, including:

- ship-building and repair;

- fabrication and assembly work for oil and gas and resource industries; and
- general repair and maintenance.

Pay rates and conditions will be determined by the normal processes between the User and its employees. They must reflect the works to be performed and the working conditions involved. There will be no special allowances or other measures that discourage work at the AMC-CUF relative to other facilities.

In addition:

The terms and conditions of employment must satisfy all legal and regulatory requirements and in particular meet or exceed:

- terms specified in the Metal Trades (General) Award 1966 and Electrical Contracting Industry Award R22 of 1978;
- Australian Superannuation Guarantee Act requirements;
- equal opportunity, discrimination and workplace harassment laws;
- occupational, health and safety laws; and
- any other laws or regulations governing work practices.

Terms and conditions of employment should also recognise existing standards for employment conditions in comparable industries in the Perth metropolitan area.

4.4 WORKPLACE AGREEMENT.

The User ERMP must demonstrate that there is a legally enforceable agreement with the User's employees for the scope of work planned and the agreement must include an enforceable dispute resolution procedure.

4.5 WORKING HOURS

The User ERMP will outline matters such as proposed shift times and breaks during the day. The FM has the responsibility to efficiently coordinate the activities of a number of Users at the AMC-CUF may wish to arrange or request start, finish times and break times to fit in best with other Users.

4.6 COMMITMENT FROM EMPLOYEES

The User ERMP must demonstrate that it has the commitment of its employees, contractors and contractor's employees:

- to observe its Health Safety & Environment Management Plans (HSE) and procedures applicable to the CUF, and the procedures to ensure compliance of all employees with these plans and procedures;
- to minimise any adverse consequences or disruptions their actions may have on other Users; and
- to accept AMC-CUF specific requirements and directions (eg. Emergency Response).

4.7 MANAGEMENT OF DISPUTES

The User ERMP must specify procedures for handling industrial issues affecting its employees and contractor's employees. Dispute handling procedures shall include conciliation and arbitration processes.

It is important that disputes affecting one User at the CUF do not have an adverse effect on other Users. Users are expected to manage their business with this in mind.

The User will not make any significant departure from the ERMP and industrial agreements that are accepted as part of approval of its UA without first informing the FM to obtain endorsement. The endorsement will not unreasonably be withheld.

4.8 INFORMING THE FM

The FM shall be informed promptly of all issues or potential issues that could adversely affect AMC-CUF operations or other Users.

4.9 COOPERATION

Users shall commit to establishing a cooperative work environment at the CUF. User representatives shall be required to attend monthly AMC-CUF User management co-ordination meetings to ensure effective planning and information sharing with other Users and the FM.

4.10 RIGHT OF UNION ENTRY

Refer to WI-IR-02 - Right of Entry

4.11 RIGHT OF AUDIT, SUSPENSION AND TERMINATION

The UA specifies the right of the FM to audit the User operations with respect to employee management. It provides the FM with the right to suspend or terminate the UA if a User fails to observe the approved plans presented in the User ERMP, it breaches terms of the UA or if it fails to act promptly and appropriately in resolving a dispute that is affecting other Users.

4.12 ERMP CONTENTS

It is expected that the User's ERMP will address the following issues:

Purpose;
Scope;
Objectives;
ERMP Maintenance and Control;
Responsibilities of the User;
Employee Relations Approach;
Dispute Resolution;
Role of Third Parties;
Right of Entry;
Form of Employment Regulation;
Issue Resolution and Management;
Employment Legislation Compliance;
Communication Structures;
Interface with Other Users;
Management of Lower Tier Sub Contractors;
Work patterns and Organisation;
Recruitment and Selection;
Induction;
Training;
Facilities;
Security;
Interface with HSE;
Audit;
Identification and Approach to Identifiable AMC-CUF Employee Relations Issues.

The FM will also expect to see the normal details associated with workplace agreements, covering specific terms and conditions, including, but not limited to:

- Ordinary hours of work
- Shift work
- Overtime
- Meal and rest breaks

- Payment of wages
- Classification of wages
- Special rates and allowances
- Superannuation
- Annual leave
- Sick leave
- Bereavement leave
- Other forms of leave
- Termination Provisions

5.0 REFERENCES

WI-IR-01	Management of Industrial Disputes
WI-IR-02	Right of Entry
WI-IR-03	Picket Management

6.0 ATTACHMENTS

Nil