

Combined Rail Unions'

13 May 2019

Aurizon Final Coal Core Proposal

Dear Members,

Last week AFULE and RTBU Representatives met with Aurizon in an effort to resolve the remaining outstanding **core** items affecting the traincrew and freight operators. Aurizon as a result of this meeting has now tabled the following proposal. The proposal is offered as a package and on the basis that it resolves all outstanding core items. The following has been made on a without prejudice basis.

This is a Final proposal which comprises the following elements: The changes for consideration have been highlighted in yellow and they have asked for a response back by the COB 15th of May

1. Labour hire

- Aurizon agrees to the inclusion of a provision in the proposed Coal EA and Bulk EA dealing with labour hire.
- The provision Aurizon is prepared to agree to is consistent with the wording Aurizon presented to unions on 10 April 2019.

2. Casual conversion

- Aurizon agrees to the inclusion of a provision in the proposed Coal EA and Bulk EA dealing with casual conversion.
- The provision Aurizon is prepared to agree to is consistent with the wording unions presented to Aurizon on 22 March 2019.

3. Drug and Alcohol testing

- Aurizon agrees to the inclusion of a provision in the proposed Coal EA and Bulk EA to the following effect:
 - Where an employee has returned a confirmed positive drug or alcohol test result and has been stood down without pay in accordance with Aurizon's AOD Policy, any application by the employee to access accrued annual or long service leave to cover the period until they return a negative return to work test.
 - Aurizon agrees to the addition of wording in the proposed EAs to the effect that such applications for annual leave or long service will not be denied.

4. Redundancy

- Aurizon agrees to continue discussion with unions on the appropriate mechanism to guarantee that existing employees will retain the benefit of their current redundancy provisions for the duration of their employment.
- For clarity, the current entitlement is to redundancy pay at the rate of 4 weeks' pay per year for the first 10 years of service and 3 weeks' pay per year thereafter, capped at 124 weeks.
- New employees will receive:
 - for those with 1 year of service but less than 2 – 4 weeks;
 - for those with 2 years of service or more - 3 weeks per year of service, capped at 52 weeks.

5. Superannuation

- Aurizon proposes no changes to the superannuation provisions in the current TCTO and C & M EAs and will apply those provisions consistent with current practice.
- Aurizon will not seek a release from unions with respect to changes to superannuation contribution in 2018.

6. Individual Flexibility Agreements (IFAs)

- Aurizon agrees to retain the IFA provisions that currently apply to Coal employees, specifically the restrictive IFA provisions applying to Coal train crew and transport operations employees.
- Aurizon intends to pursue less restrictive IFA provisions for Bulk train crew and transport operations employees.

7. Flexible Work Arrangements

- Aurizon agrees in principle that a pro-rata penalty allowance be paid to train crew employees who, as a result of a Flexible Work Arrangement, are not available 24/7.

8. Annual wage increases - Coal EA

- Aurizon agrees to annual wage increases for Coal train crew and transport operations employees of 2.5% in year one, 2.3% in year two and 2.25% in year three.
- The first year's annual pay increase will be paid solely to the base rate of pay in the way proposed by unions i.e. the entire first year 2.5% base and penalty increase will be awarded to the base rate of pay.
- Aurizon has previously agreed to annual wage increases for Coal maintenance employees of 2% in year one, 2% in year two and 2% in year three.

9. Back dating of wage increases – Coal EA

- Aurizon agrees to back date the first annual pay increases under the Coal EA to the expiry date of the current relevant EA, on the condition that
 - The unions conduct a campaign in support of the proposed Coal EA; and
 - The expiry date of the Coal EA will be three years from the date the EA commences.

10. Additional Public Holiday (Coal)

- Aurizon agrees to pay Coal train crew who work on Anzac Day at 150% of the relevant rate and continue to pay for work on Labour Day at 250%.

Drafting has continued last week to ensure the intent of negotiations are captured. Clauses in relation to Maintenance is now finalized and will be presented in due course once the document is ready for release

We will continue to keep you updated on developments within the Coal Enterprise Bargaining process.

In Solidarity,

