

QF: 064/2006

28 November 2006



❖ NOTICE ❖

25 Stoney Creek Rd Bexley 2207 NSW
Ph: (02) 9554 9399 Fax: (02) 9554 9644
Email: alaea@alaea.asn.au
Web: www.alaea.asn.au
ABN: 84 234 747 620

TO: ALL QANTAS MEMBERS

RE: 38 HOUR WEEK BACKGROUND INFORMATION

As a result of the review of work patterns and rosters being undertaken by Qantas in various ports around Australia, members have requested information regarding the process involved in the reduction from 40 hours to 38 hours in 1983/4 and detail on the offsets agreed as a result of those negotiations.

During and at the conclusion of these negotiations, two booklets were circulated to all employees by the ACTU, Union/Association and Qantas Titled "Review of Hours of Work 1983" and "Mechanics of the 38 Hour Week 19 Day/20 Day Work Cycle".

A copy of the "Review of Hours of Work 1983" booklet is attached, perusal of this document should answer any questions members may have with regards to processes adopted and the offsets agreed at that time.

I trust this information will assist.

Brian Farnham
Industrial Consultant

"To undertake supervise and certify for the safety of all who fly."



A.C.T.U.



Qantas Airways Limited

Aircraft Industry (QANTAS Airways Limited) Award

And

Licensed Aircraft Engineers' (QANTAS Airways Limited) Award

REVIEW OF HOURS OF WORK

1983

REPORT BY A.C.T.U. AND AFFILIATED UNIONS AND QANTAS AIRWAYS LIMITED
TO EMPLOYEES COVERED BY THE AIRCRAFT INDUSTRY (Q.A.L.) AWARD AND LICENSED
AIRCRAFT ENGINEERS (Q.A.L.) AWARD – MASCOT BASE

(SIMILAR CONDITIONS WILL APPLY TO EMPLOYEES LOCATED AT OTHER AUSTRALIAN STATIONS)

21/11/83

BACKGROUND

On 1st September, 1983 the Company accepted that in accordance with the published and agreed terms of reference that under the auspices of the ACTU and affiliated unions the parties would commence discussions so as to achieve a "38 hour week" within a specified time limit and at negligible cost.

Part of these agreed terms of reference are outlined as follows :-

"All parties agree that before reduction in hours is made the cost of such reduction must be completely offset - negligible cost criteria. Estimates of savings and costs will be jointly calculated and agreed upon by a fully qualified representative of the ACTU and a fully qualified representative of the Company".

"The parties acknowledge the poor financial situation of Qantas. Also it is subject to substantial overseas competitive pressures. This emphasises the need to reduce hours on the basis of aiming to achieve negligible cost. The unions acknowledge that in approaching the reduced working hours negotiations the parties will focus on Qantas operations. Thus the offsets are those appropriate to Qantas operations".

"Any agreement reached shall be ratified by the Australian Conciliation and Arbitration Commission before introduction of any reduced hours. The parties will make every effort to expedite such hearing".

The introduction of reduced working hours in other Federal and State Awards throughout Australia has been based on this same approach and emphasise that the costs incurred in any such introduction must be offset by cost savings which may incorporate changed work practices, manning levels etc.

Having established the terms of reference and after providing the parties with a document outlining a number of possible cost savings, the parties first met on 7 September, 1983. Since that time numerous meetings in all States involving delegates, members of each of the various trade unions, State and Federal Union officials ACTU representative and both site and senior Company management personnel have taken place. The major meetings have been jointly chaired by the ACTU and the Company. More than 60 meetings have been held to ensure full involvement of those concerned and it is believed that this was achieved.

Under the auspices of the ACTU these lengthy negotiations produced a situation where many proposals put forward by the Company have been rejected while in other cases concessions have been made in order to find a basis by which an increase in leisure time can be obtained by agreement. The following pages outline the agreed offsets which if accepted must then be subject to the scrutiny of the Australian Conciliation and Arbitration Commission to ensure that any such introduction of reduced hours is made at negligible cost as stated in the agreed terms of reference. We have attempted to be as explanatory as possible in this document but no doubt some further detail may be required on specific items. Such detail will either be provided at mass meetings or via your union official or the ACTU representative Mr. I. Oldmeadow who will all be happy to provide answers to any questions you may have prior to the mass meetings.

AGREED OFFSETS

- NB:
1. THE ACTU AND AFFILIATED UNIONS RESPONDENT TO THE TWO AWARDS RECOMMEND THE PROPOSED AGREEMENT AS AN INDIVISIBLE PACKAGE.
 2. THE BENEFITS AND CHANGES TO WORKING ARRANGEMENTS MUST BE CAREFULLY CONSIDERED AND THE PROPOSAL MUST BE VOTED ON AND ACCEPTED OR REJECTED AS A PACKAGE.
 3. A MAJORITY VOTE AT MASS MEETINGS WILL DETERMINE THE UNIONS' ACCEPTANCE OR REJECTION OF THE PROPOSAL.
 4. TO AVOID EXCESS VERBAGE IN THE DOCUMENT THE TERMS UNION AND ASSOCIATION HAVE BEEN DEEMED AS SYNONYMOUS.

1. Payment of Wages

It is agreed that the Company will introduce payment of wages on a fortnightly basis paid directly into a bank account or the credit union.

(a) Explanation

(i) Payment will be made on a fortnightly basis into one of the following types of accounts - to be nominated by the employee :

1. Cheque account
2. Savings account
3. Keycard account
4. Qantas Credit Union account.

(Note: During 1984 facilities will be introduced to allow payment of wages into Building Society accounts)

- (ii) Current deductions being paid into credit union accounts may continue but in future will be made on a fortnightly basis.
- (iii) Should employees wish to amend their credit union deduction or have it divided into more than one credit union account notification must be given to the credit union offices.
- (iv) Basically an employee may elect to have the wage paid in total to a bank or in total to the credit union or may elect to specify a set fortnightly amount to be paid by way of salary deduction into the credit union (which may be allocated to up to three accounts) with the balance of the wage payment then being paid into the nominated bank account.
- (b) Procedures (N.S.W only - other States separate document)

- (i) Salary credits will be posted to the nominated accounts on every second Monday night.
- (ii) As a general rule cheques may be drawn on personal accounts on the Tuesday following the second Monday. However as the banking system normally posts credits before debits it is likely that cheques may be drawn on personal accounts on the Monday itself.
- (iii) Credits to self service computer terminal types of accounts (eg. keycard accounts) are not available at automatic teller machines until the Tuesday morning.

- (iv) Under the present system wage payments are made each Thursday. The new system will result in the fortnightly pay being available two to three days earlier than the present regular Thursday weekly system.

Each wage payment deposited will include :

- (v) Ordinary fortnight salary to the end of the normal pay period i.e. every second Tuesday.
- (vi) Shift penalties and other extraneous payments to the end of the previous week i.e. Tuesday of the first week of the pay period.
- (vii) Overtime payments up to and including Sunday of the first week of the pay period.

Example - First Fortnightly Pay

Fortnightly pay period ends on Tuesday, 26th January, 1984. The salary paid on 26th January, 1984 will include :

- . Ordinary fortnight's salary for the period Wednesday 13th January, 1984 to Tuesday 26th January, 1984 inclusive.
- . Shift penalty and other extraneous payments for the period Wednesday 13th January 1984 to Tuesday 19th January 1984 inclusive.
- . Overtime payments for the period Wednesday 13th January, 1984 to Sunday 17th January, 1984 inclusive. Plus the balance of overtime owing from previous pay.

This example would apply to the first transfer from weekly to fortnightly payments. Thereafter the payment of wages would include the previously unpaid overtime and shift etc. payments.

Example - Second Fortnightly Pay

The salary paid on 9th February 1984 will include :

- . Ordinary fortnight's salary for the period Wednesday 27th January, 1984 to Tuesday 9th February 1984 inclusive.
- . Shift penalty and other extraneous payments for the period Wednesday 20th January, 1984 to Tuesday 2nd February 1984 inclusive.
- . Overtime payments for the period Monday 18th January 1984 to Sunday 31st January, 1984 inclusive.

(c) Salary Adjustments

Adjustments for under payments (pre-payment) will continue to be made under the conditions now prevailing except that instead of cash payments, nominated accounts (i.e. bank or Credit Union) will be credited prior to the next fortnightly payroll deposits.

(d) Annual & Long Service Leave

Employees will still be able to receive payments in advance when proceeding on 2 or more weeks leave. Requests for advance are to be noted on the leave application form and submitted to the appropriate time office no later than 10 working days prior to commencement of leave.

(e) Pay Advice Slips

Pay slips in confidential envelopes will be distributed and in the majority of cases should be received on the day before wage payments are deposited into accounts. Pay slips will show the same detailed information as now appears on weekly pay advices.

(f) Advance Payment

In the weekly payroll prior to changeover to their first fortnightly payroll all employees will be paid 3 days (24 hours) pay in advance which will be recovered in equal instalments (of 8 hours) over the next 3 fortnightly payrolls.

(g) Financial Hardship

Where an employee can demonstrate genuine financial hardship to the Employee Relations Manager Operations or his nominee and provided sufficient ordinary wages (excluding overtime and shift penalties) are due so as to allow recovery of the advance over the periods mentioned hereinafter, a maximum of a further two days (16 hours) pay may be made in advance in the weekly payroll prior to the first fortnightly payroll with repayment in equal instalments over the next two fortnightly payrolls. Extraordinary circumstances will be referred to the Director of Personnel by Employee Relations Manager Operations for special consideration.

(h) Encashment

Discussions are currently taking place with the Commonwealth Bank at Mascot Jet Base who we believe propose to instal a keycard automatic teller. The normal encashment facilities available through the credit union will still apply. However, employees wishing to avail themselves of either of these encashment facilities may only do so outside normal work hours, during lunch break, or where otherwise approved by the supervisor. Such approval may only be granted where no productive work is available for the employee within the time the employee would be absent from the work station e.g. downtime.

(i) Shift Penalties

By way of explanation there are a number of reasons why, in a fortnightly payroll, shift and overtime payments can only be made to the dates mentioned earlier.

Firstly there must be close off dates to allow -

- (a) The Company's Pay & Benefits Department to process payroll documentation.
- (b) Input to the Company's Computer System.
- (c) Payrolls to be produced.

- (d) Payslips to be printed and distributed.
- (e) The meeting of inflexible target dates set by the banking industry to ensure deposits are made to employees accounts on the nominated date.

Secondly, because of the high incidence of roster changes and numerous instances of unanticipated absences (e.g. sick leave, workers compensation, special leave, bereavement leave, jury service, leave without pay, lateness, early departure, unauthorised absences, days in lieu) it is neither in the interests of the Company nor the employee for shift penalties to be paid in anticipation. Apart from the impact on the Company's cash flow and the administrative workload involved in actioning adjustments of under and over payments, employees would be disadvantaged because of recovery action taken in subsequent periods. This disadvantage is accentuated in periods when only ordinary hours wages are due.

It should also be noted that the results of a survey (carried out during the Company's consideration of the 38 hour week/19 day month) prove that Qantas is paying shift and overtime in each fortnightly payroll to a later date than other large corporations.

2. Maintenance of same level of output

It is agreed between the parties that where practicable the same level of output or production or services etc. which existed prior to the introduction of reduced working hours will be maintained by employees during the 19 day work period. The parties agree that in the areas identified by either the employees or the Company every effort shall be made by all concerned to achieve this offset. It is believed that with the saving of time e.g. afternoon tea break that the additional work time available will be utilised in work areas to spread the work of the rostered off employee/s amongst other employees at work. Should a section close down in part or whole then where practicable work will be allocated over the other working days in the 19/20 day cycle.

3. Basis of calculations - Working hours

It is agreed between the parties that the "Metal Trades Award system" method of calculation which is now common throughout industry will be utilised where applicable.

Explanation

Some examples :

- . From the date of introduction ensuing sick leave accruals will be pro-rated on a 38/40 system.
- . Overtime divisor is reduced to 38.
- . Employees continue to work 8 hours per day of which 24 minutes is credited towards payment for the rostered 20th day off eg. employees absent from normal work or rostered shift without reasonable cause (eg strike) do not accrue that 24 minutes during the 20 day period.

Further explanatory information on this common National and State method of calculation will be provided to employees in a separate booklet or by discussion. A joint committee has been established to provide this information and the committee will commence discussions on or after 28/11/83.

4. Rosters

- (a) The parties agree that the manner of working reduced hours must be constructed so as to aim at achieving the most cost efficient method in accordance with the functions performed in each area of operation and thereby the parties agree that the Company shall have flexibility in the construction of rosters. However the additional day off shall be granted on any day (other than a public holiday - except where agreed) during the two consecutive fortnightly pay periods but where reasonably practicable to do so the day may be taken on a day adjoining other days off.

NB: If a shift worker is allowed to take a 20th day off on a Public Holiday he shall not also accrue an entitlement to a day off in lieu in respect to the public holiday.

- (b) Employees shall be advised of the additional day off prior to the commencement of each four weekly period (or earlier) provided however that by agreement between the supervisor and the employee another day may be substituted. Where an employee is notified not later than the commencement of the shift or period of duty immediately prior to the day, such additional day off may be transferred by mutual agreement to another day which is to be taken not later than the end of the next four weekly period. Provided further that where such notice is not given and the employee is required to work on such day then the employee shall be paid at ordinary time and a quarter and a day off in lieu will be taken by mutual agreement within the ensuing four week cycle.

The ACTU and unions respondent to this agreement qualify this arrangement on the grounds that it only occurs infrequently and the monitoring committee is to oversee the occurrences to ensure no abuse occurs.

- (c) The existing practice in regard to consultation with employees on rosters will continue.

5. Public Holidays - Days in lieu

The present practice of mutual agreement between the parties is to be retained for days in lieu taken during the year and the Company will endeavour to allow employees to take such day/s in lieu subject to operational demands. However where such day/s are not taken or paid out prior to the taking of annual leave the Company will pay out those days in lieu at single time prior to the taking of the annual leave period. If in the opinion of the area management no additional costs (overtime etc.) will be incurred by the Company, Management may upon request grant the additional time off.

6. Extension of Day Work Spread of Hours

It is agreed that the day work spread of hours as outlined in Clause 18 Hours of Duty shall be amended from 0700 to 1730 to a new spread of hours, they being 0700 to 1800.

7. Afternoon Tea Break

It is agreed between the parties that the afternoon tea break will be eliminated and five minutes will be added to the morning tea break. This will result in a morning tea of 15 minutes duration and in future employees will be required to cease work only for that 15 minute period. In certain areas it has been agreed that the morning tea break shall be eliminated and the afternoon tea break will be extended to 15 minutes with this same proviso.

8. Precise Timekeeping

- a. Elimination of 3 minutes grace for female employees to cease work early. It has been agreed between the parties that the present concession of allowing female employees 3 minutes grace to cease work prior to the cessation of their nominated hours of duty will be withdrawn (not recommended by F.M.W.U. & V.B.U.)
- b. Relocation of Bundy Clocks. It has been agreed that the Company will relocate at appropriate times in the future Bundy Clocks in certain areas and such relocation shall be at management's discretion.
- c. Control of Social Lost Time. It has been agreed that attendance at the credit union, bank, staff travel, welfare shop, canteen and like areas will be restricted to either before commencement of duty, lunch break or after cessation of normal duty. However a supervisor may approve an employee's attendance at these areas in time where no productive work is available to the employee eg. downtime. To assist employees in this regard the Company will be reviewing its current staff travel administration system and will be holding discussions with the credit union in regard to extension of hours.

9. Unofficial Wash Up Time Prior to Cessation of Work

In departments where there currently exists the practice of taking an unofficial wash up time prior to cessation of duty, it shall be restricted to 3 minutes. Supervisors and employees will be asked to co-operate to avoid abuses of this offset and in addition hooter systems or other suitable alternatives will be installed to assist all to comply.

10. Control of Sick Leave

The present Award provision which allows 4 single days absence without a medical certificate will be amended to allow 3 single days absence without medical certificate will be operative on the employees first new sick leave year commencing or or after the introduction of reduced working hours.

As a comment employees should be aware that if these single day absences are not taken they are not forfeited but become part of the general accrual of sick leave entitlement. However, in any one sick leave year only 3 single days absence may be taken without a medical certificate. All other award provisions in respect of substantiation of absences remain unchanged.

11. Lost Time Saving on 20th Day

12. Variable Shift Lengths

The Company believes it would be beneficial to employees and to the Company if shift lengths of not less than 8 and no more than 10 hours be introduced. In any area where such a system is introduced the calculation would be made over a 20 day period so as to result in no more or no less than 152 hours ordinary work in that period.

For Example

In a 20 day period employees work :

12 shifts at 10 ordinary hours = 120 hours

4 shifts at 8 ordinary hours = 32 hours

Total = 152 ordinary hours.

Employee then would receive 4 days off in the 20 day period instead of one day off and whilst overtime would not be paid for the 10 ordinary hours shifts the appropriate shift penalties would apply to the 10 hours.

Costs have been carried out in the Security Department on this matter and they show in specific instances a loss of wage over the 20 day period of 27 cents per week. In the ground catering area examples show similar insignificant loss of wage.

The parties have agreed that the Company shall approach the individual Unions concerned to seek agreement on the introduction of variable shift lengths.

13. Absence before or after the rostered off "20th" day

An employee who is absent the working day before and or the working day after the rostered off "20th day" shall be required to provide medical evidence to substantiate the absence/s.

14. Transport

It is agreed between the parties that except where provided in the Aircraft Industry and Licensed Aircraft Engineers' Award the Company will not supply transport for persons who commence employment with the Company on or after the date of introduction of reduced working hours.

15. Working Through Meal Break

An employee may be required to work up to 6 hours without a meal break (without payment of overtime) such time being calculated from the normal time of his commencement of duty.

16. Smoko/Morning Tea Breaks to be Taken at Place of Work

It has been agreed between the parties that employees shall take their morning tea break in the area which they have been assigned on that particular day. Such breaks shall be taken where available in the crib room or an appropriate alternative place in the area in which they are engaged away from their normal place of work.

17. Meal Vouchers

It is agreed between the parties that meal vouchers will not be available for redemption at OLIMs except in approved circumstances. Such approval must come from the departmental manager.

18. Moving House

The present policy of allowing one days special leave with pay to move house will be withdrawn.

19. Sporting Club Activities

Absences from work to participate in sporting events will be restricted to Company approved international and premier State officially recognised events. Applications for absence from work are to be submitted through normal channels and in special cases where the area management believes an exception may be necessary these are to be referred to the Director of Personnel.

20. Short Term Employment

In addition to those areas where short term employment is currently part of the operation it has been agreed that short term employment may be utilised by the Company in the catering centre and cargo division during the Christmas and Easter Holiday periods.

21. Part Time Employment

The Award provisions in respect of part time employment will be utilised by the Company where required.

22. Overtime Meal etc. Breaks

Due to the number of differing practices throughout the Company it has been agreed between the parties that in future the award provisions will be strictly adhered to. All other non Award practices will be withdrawn. The agreed interpretation of Clause 18 is as follows :-

1. An employee is entitled to a 20 minute meal break for overtime work in excess of one hour after the normal shift cessation time.
2. The 20 minute meal break is not overtime work and therefore the calculation of when the next meal break shall be taken excludes consideration of the 20 minutes.

3. The next meal break is taken after a further 4 hours overtime work and is for a period of 30 minutes. That period of 30 minutes is not counted for calculation of the next meal period which would be 4 hours after the end of the meal break.

The Award also provides that the first break may be deferred up to 5 hours and by mutual agreement up to 6 hours. This means that the first break can fall due any time between cessation of work and 5 hours hence and by mutual agreement 6 hours hence.

See example below

Employee shift hours 0700 to 1500

Required to work 10 hours overtime.

1st break entitlement 1606 (i.e. in excess of 1 hour overtime)

Entitlement 20 minutes.

Therefore in this case break taken from 1606 to 1626.

Second break entitlement after 4 hours overtime work

Cessation of break 1626

4 hours overtime 4 hours

Break due 2026

Break 30 minutes

Break taken 2026 to 2056

Third Break entitlement after 4 hours overtime work is due at 0056

Employee ceases work at 0150

However if the first meal break is deferred or taken before 1606 the same times in respect of the second and third meal break entitlement in this example would remain.

It has been agreed between the parties that the above interpretation shall apply and that payment may be made in lieu of the second meal break being taken.

23. Revision of Work Practices

Where the Company considers wasteful work practices exist it is agreed that the matter may be raised with appropriate union(s) and the ACJU with a view to their elimination. Should the parties be unable to agree then the matter may be referred to the Conciliation and Arbitration Commission for decision or recommendation.

24. Work Periods

The parties agree in certain areas, due to the rearrangement of the tea break and amendment to the work through meal break provisions that where practicable a review of the time of taking the lunch-break will be undertaken so as to equalise the work periods as much as possible.

The need for such a review will be determined by the departmental management for each area.

25. Timekeeping

It is agreed that the parties support the introduction of (in the foreseeable future) job costing and attendance recording carried out by the use of I.D. cards in lieu of the present system. However all concerned require consultation prior to the change.

26. Monitoring Committee

A central Monitoring Committee shall be established to monitor the implementation of the offsets and the working of reduced hours Australia Wide. Such a committee may be required to report back to the Australian Conciliation and Arbitration Commission. The suggested composition of the committee is Messrs. Ratcliffe, Farnham, Maurice (Union officials), Mr. I. Oldmeadow (an officer of the ACTU), the President of the C.U.C. or his nominee, Mr. Green and one other Company official.

The parties agree that the Monitoring Committee shall continue to act in the spirit of co-operation and good faith shown by the parties during the negotiation of this agreement and have the basic responsibility for ensuring the implementation of the details of this agreement and in so doing have the full support of all unions respondent to the agreement.

27. Operative Date

It is agreed between the parties that the operative date of any introduction of reduced working hours shall be the 7th December, 1983 or the first full pay period to commence on or after the 1st December, 1983 whichever is the earliest. However due to the difficulties regarding ratification, establishment of systems, rosters etc. it is also agreed that whilst employees will commence to accrue "the 20th day off" from the appropriate date it may not be possible to take the day off during the initial stages of the introduction of reduced working hours. Accordingly.:

- (a) the first "20th day off" will be taken by mutual agreement within a reasonable period of it falling due but no later than 3 months from that date
- or
- (b) Where the employee and the Company mutually agree the first accrued "20th day off" may be paid out in lieu of taking or being granted that day off.

NB : IT IS AGREED BETWEEN THE PARTIES THAT ONLY IN RESPECT OF THE FIRST ACCRUED "20th DAY OFF" SHALL THE OPTION OF PAYMENT IN LIEU BE ALLOWED.

28. Implementation

It should be noted by all concerned that the major offsets in this document relate to the control of time absent from the job and the Company has accepted the assurances of the A.C.T.U. and affiliated Unions that the commitments given in this document will be adhered to. This understanding (interalia) formed the basis of the settlement of the disagreement in respect of operative date.

So there can be no misunderstanding it should be clearly understood by the A.C.T.U. and affiliated Unions that implementation of all matters, but in particular the control of time absent from the job, will be strenuously policed by supervisory staff. Employees found breaching the commitments herein will be disciplined.

On the other hand, the Company also is required to abide by the terms of this document and any instance where the individual employee or Union considers such is not the case, the Company requires that such incidents be referred to the Monitoring Committee.