



Ms Andrea Mears
Organiser
Australian Services Union
Level 1, 39-47 Renwick Street
REDFERN NSW 2016

Cc: The Rail Tram and Bus Union – Salaried Division (RTBU)
The Association of Professional Engineers, Scientists and Managers
Australia (APESMA)

Dear Ms Mears

I refer to the discussions that have occurred to date regarding the development of bargaining parameters for a new Award for Senior and Salaried Officers. I am pleased to confirm the details of State Transit's formal offer of settlement following consideration by the Budget Committee of Cabinet of State Transit's bargaining parameters on 22 June 2009.

As previously advised, current NSW Government wages policy provides for a 2.5% p.a. cost of living adjustment, with any increase over that amount to be fully funded by identified savings. I am therefore pleased to advise that the Budget Committee has since approved an offer which includes provision for a 3.75% p.a. increase, based on the bargaining parameters and specific saving initiatives outlined in the following page.

Accordingly, subject to the ASU, the RTBU and the APESMA and their members accepting the bargaining parameters and specific savings initiatives, State Transit is now in a position to offer benefits over and above the 2.5% p.a. cost of living adjustment, including:

- a further 1.25% p.a. increase over three years, bringing the total wage increase over the three year proposed term of the Award to 3.75% p.a.;
 - the first 3.75% wage increase to be backdated to 1 January 2009
 - the second 3.75% wage increase to commence from 1 January 2010
 - the third 3.75% wage increase in to commence from 1 January 2011

- an increase in paid maternity and adoption leave benefits from the current provision of 9 weeks to 14 weeks;

Bargaining Parameters and Specific Savings Initiatives

The offer outlined above, is contingent on acceptance by the Unions and their members of a number of bargaining parameters and specific savings initiatives which have been the subject of discussions between the parties. In summary form, these include the following matters:

1. Reductions in Average Sick Leave Levels

Commitment to achieve reduction in average sick leave to the set targets through the implementation of an Absence management clause.

2. Reforms in Human Resource Management Practices

2.1 Management of Excess (Displaced) Staff

- Implementation of a revised State Transit policy, which is modelled on the NSW Government policy on the management of excess officers.

2.2 Integrated HRIS, and Recruitment Practices Including E-Recruitment

- Implementation of an integrated HRIS and Payroll system.
- Utilisation of the employee self-service function of the new HRIS system for HR services.
- Adoption of E-Recruitment consistent with MoU between PSA and NSW Government.
- Insertion of a clause which mirrors section 20 of the *Public Sector Employment and Management Act*, to provide State Transit with greater flexibility in the use of eligibility lists.

2.3 Reductions in Annual Leave Liability

- Accumulation of annual leave to be reduced from a maximum of 40 days to 30 days, unless otherwise approved

2.4 Reductions in Public Holidays and Picnic Day Liability

- Requirement that all uncleared Public Holidays accrued prior to 1 January 2006, must be cleared by a certain date.
- Requirement that all future uncleared Picnic Days must be paid out and not accumulated.

2.5 Annual Uniform Allowance in Lieu of Fair Wear and Tear

- Replacement of current uniform fair wear and tear clause with an annual allowance and on line ordering system

2.6 Flexible Recruitment practices

- Removal or relaxation of current restrictions in the use of temporary employees, specifically:
 - restriction on State Transit's ability to utilise temporary employees in one position for more than 12 months;
 - inability of State Transit to fill permanent positions on a temporary basis, where the position is substantively vacant, with temporary employees;
 - requirement that State Transit must fill vacant positions within six months of the vacancy occurring.

2.7 Changes in Human Resources Policies, e.g. Leave without Pay, Higher Duties

2.8 Coverage of vacant shifts in the Salaried Officer classifications

- Insertion of a clause affirming management prerogative in determining which vacant shifts are to be covered and how they are to be filled.

3. Reforms in State Transit Business Practices and Associated Restructuring

Commitment by all parties to support consequent restructuring, in accordance with the NSW Government's revised procedures for the management of excess staff.

The areas of reforms include:

- *Restructuring and Centralisation of the Scheduling and Charter Functions*
- *Introduction of On Line Ordering for Ticketing*

Attached to this letter is a table setting out proposed clauses for the above matters. The draft Senior and Salaried Officers Enterprise (State) Award 2009, which consolidates the current Enterprise Agreement and Awards applicable to Senior and Salaried Officers; and includes the proposed clauses, is also enclosed.

This formal offer by State Transit is offered as a 'package' in settlement of the three Unions and their members claims in the current wage round. The offer is contingent on all three Unions party to the Award and their members accepting the bargaining parameters and specific savings initiatives and the draft Award.

I understand that the Unions will wish to put the proposed offer and the new Award, to a vote of their members. Should the outcome of that ballot be to accept the offer and proposed Award, State Transit and the Unions should then apply to the Industrial Relations Commission for the ratification of the Award, pursuant to s10 of the *Industrial Relations Act 1996* (NSW), at the first available opportunity.

I await your formal response.

Yours sincerely



Mark McCarthy
A/General Manager Human Resources
25 June 2009

Enclosed:

1. Senior and Salaried Officers Award 2009 – Summary Table
2. Draft Senior and Salaried Officers Enterprise (State) Award 2009
3. Senior and Salaried Officers Award – Corresponding clauses with 2006 Enterprise Agreement