

CSIRO's Principles and Proposals

July 2014

Background to Enterprise Bargaining

Your employment conditions and salary increases are determined through an 'Enterprise Agreement' between CSIRO, our staff and unions. Our current Agreement reaches its nominal expiry date on 16 August 2014, and we are now commencing negotiations for a new Agreement.

As a Commonwealth employer, CSIRO is required to follow Government Bargaining Policy which is set out in the [Australian Government Public Sector Workplace Bargaining Policy](#).

Our Enterprise Agreement must also comply with the *Fair Work Act 2009* (FW Act) including the National Employment Standards (NES). The FW Act and NES set out the legislative minimum employment standards, content, approach and approval requirements for all new Agreements.

Context to CSIRO's Principles

The current Agreement commenced in July 2011. Since that time our operating environment, financial position, and government expectations about employment conditions and remuneration increases has changed. We recognise this will be a tough environment in which to negotiate a new Agreement.

PRINCIPLES

CSIRO's objective is to develop an Agreement that supports our Strategy, reflects the commitment of our staff and maintains our position as an attractive employer.

The Agreement must be fully costed, affordable and sustainable.

In bargaining for the new Agreement CSIRO will act in accordance with our Values and Code of Conduct. We will also comply with the requirements set out in the Government Bargaining Policy, the FW Act and the NES.

Since late 2013 CSIRO has undertaken research about employment terms and conditions and consulted with staff and managers through group discussions, focus groups and a staff survey.

We have also considered the new Government Bargaining Policy and our review indicates there are areas in the current Agreement requiring change to ensure consistency with the policy requirements.

One of the significant requirements of the Government Bargaining Policy for enterprise bargaining is that any changes to employment conditions and remuneration which generate an increase in cost to CSIRO must be offset by genuine employee related productivity improvements. They must also be affordable for CSIRO.

About CSIRO's Proposals

This document outlines the broad proposals CSIRO will put forward as part of the negotiations for a new Agreement. All staff will have the opportunity to provide feedback on these broad proposals and then as we progress with the negotiations, the more specific, detailed and costed proposals.

CONDITIONS OF EMPLOYMENT

As part of the negotiations CSIRO will engage with staff and bargaining representatives to discuss possible changes to provisions for:

- ◆ Grievance and Misconduct
- ◆ Redeployment and Redundancy
- ◆ Annual Performance Agreement
- ◆ Management of Underperformance
- ◆ Specified Term and Casual Employment, and
- ◆ Annual Shutdown.

Such changes, if agreed by staff and bargaining representatives, may contribute to the productivity improvements and savings necessary for CSIRO to be able to make a pay offer.

PAY AND PRODUCTIVITY

The Government Bargaining Policy requires that CSIRO can only negotiate remuneration increases which are prospective, affordable and offset by genuine productivity gains which are demonstrable, permanent improvements in the efficiency, effectiveness and/or output of employees.

In recognition that any remuneration increase must be offset by productivity improvements, CSIRO has not yet proposed a pay offer. As part of the negotiation process, CSIRO is committed to working with staff and bargaining representatives to identify genuine productivity gains and an affordable pay increase which is consistent with all legislative and Government Bargaining Policy requirements.

CSIRO will then be able to quantify and measure proposed changes and any productivity gains and savings they may present towards a pay offer.

Questions

Does the Australian Government Public Sector Workplace Bargaining Policy apply to CSIRO?

Yes, CSIRO as a non- APS agency must comply with the new [Australian Government Public Sector Workplace Bargaining Policy](#).

Is this a new requirement for this Enterprise Agreement negotiation process?

No, CSIRO previously complied with the Australian Government Employment Bargaining Framework (2009). This has now been replaced with the Australian Government Public Sector Workplace Bargaining Policy.

CSIRO is also required to bargain in accordance with requirements under the *Fair Work Act 2009*.

How will CSIRO's bargaining position be impacted by the new Government Bargaining Policy?

Before CSIRO can propose any remuneration increases or enhancements to conditions, we must provide evidence to the APSC and our Minister that the increases and enhancements can be offset by permanent employee related productivity gains and are affordable.

What is the Government's definition of a Productivity Gain?

The Bargaining Policy states that "Genuine productivity gains are demonstrable, permanent improvements in the efficiency, effectiveness and/or output of employees, based on reform of work practices or conditions, resulting in measureable savings."

To put a number on it, how much will CSIRO need to generate in order to provide a pay increase?

By way of example, for approximately every 1 per cent increase to salaries, CSIRO will need to find approximately \$50million in savings over the life of a three year Agreement.

What other changes are required to the current Agreement by the Government Bargaining Policy?

In order to ensure the new Agreement meets the Government Bargaining Policy all clauses will need to be reviewed and as required changed to ensure consistency with the Government Bargaining Policy requirements.

For example, the Government Bargaining Policy requires that Agreements should:

- ♦ not impose restrictive work practices
- ♦ not create arrangements that confine managerial decision-making, confine operations or curb the effective operation of legislation
- ♦ not contain operational, implementation or administrative matters that may be subject to change during the life of the Agreement and that are more appropriately dealt with in separate policy documents
- ♦ not contain ambiguous terms, large slabs of aspirational goals, or onerous procedures and descriptive content.

What type of productivity gains can be considered by CSIRO?

CSIRO has been working towards identifying productivity and savings (to offset and enable a remuneration increase). CSIRO recognises the dedication and valuable contribution by all staff and will work towards identifying gains that contribute towards a remuneration increase. This is not without challenge however. It is for this reason CSIRO has not developed a position on a pay increase at this stage of the process.

In addition if there are changes proposed to existing terms and conditions which will result in an increase in cost to CSIRO additional productivity and savings measures will need to be found.

CSIRO seeks to engage with staff and their representatives to identify possible savings and productivity gains.

Some general productivity and savings measures that could contribute to a pay increase and are being considered by other organisations are:

- ♦ Reducing absenteeism and excess leave liabilities
- ♦ Making better use of technology
- ♦ Reduction in leave entitlements
- ♦ Reductions in the Christmas shutdown period, resulting in increased labour
- ♦ Increases to ordinary hours of work (i.e. from 36.75 to 38 hours per week)
- ♦ Strengthening eligibility requirements for incremental advancement.

Further details can be found in the [Australian Government Public Sector Workplace Bargaining Policy](#).

The Policy is not legislated, why do we have to comply with the new Government Bargaining Policy and why can't we just bargain in accordance with the requirements under the Fair Work Act 2009?

Although we are still required to bargain in accordance with the *Fair Work Act 2009*, we must also comply with the Government Bargaining Policy, as stipulated by the Policy. Our Minister is responsible for approving our draft Agreement and it is expected that our Agreement will be developed and negotiated in accordance with the Government Bargaining Policy.

What about the current staff reductions and changes resulting from the integrated reform program and the annual directions statement and budget impacts, does this count as a productivity saving?

Savings must be generated from within our current budget. Staff reductions and changes due to the integrated reform program and budget reductions have already been factored into our forward budget estimates. Effectively those changes are required in order to achieve a balanced budget. Any pay increase or other change to conditions would require further savings or productivity gains in addition to current reform programs.

Have your say

CSIRO's principles and proposals will be discussed further in the upcoming negotiations. As broad proposals are discussed and specific details agreed, such proposals must be costed. CSIRO will share information about the costings with staff and bargaining representatives.

You can provide feedback or questions to the following email address EnterpriseAgreement2014@csiro.au.

For further information please look at the [Enterprise Agreement 2014](#) website.