



PRIME MINISTER

FOR MEDIA

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The Government, the Unions and Employers are each party to the Waterfront Industry Reform Package.

The Reform Package involves agreement by the parties to:

- . Finalise enterprise based agreements.
- . Implement a new skills based award classification structure at an enterprise level.
- . Where appropriate develop productivity based wage schemes at the enterprise level.

The Government has supported these developments on the understanding that substantial increases in productivity are achieved in which the community is a significant beneficiary.

The Government is not prepared to see Unions, Employers or the IRC stand in the way in implementing these objectives.

The issues involved in this matter, while of course being of great importance to the parties immediately involved, have a profound significance for the whole Australian community.

Out of discussions that have been held with the parties and taking into account their various legitimate concerns the Government is therefore indicating that this issue should be resolved by the unions and employers acting in the following manner:

- (1) To implement a two year contract from 16 May 1991. The agreement to be closed except for any national adjustments supported in Accord Mark VII and employer initiated productivity based enterprise arrangements.
- (2) The first adjustment shall be \$12.00 per week from the first pay period on or after 16 May.
- (3) The \$12.00 is to be paid only after agreement on the classification structure which must be finalised prior to 16 May.
- (4) The second adjustment shall be the reclassification increase of 4.0% from 1 July.

- (5) The 4% increase would become available on an enterprise by enterprise basis from 1 July 1991, but only when:
- an enterprise agreement has been finalised and approved by WIRA; and
 - employees have been reclassified under the new structure.

Employees accepting the WIRA package are not eligible for reclassification as they will have left the industry once the enterprise agreement has been implemented.

The 4% increase represents an aggregate wage cost outcome. There will be different percentage increases for different classifications in accordance with the new classification structure.

- (6) There shall be a further adjustment arising from a valuation of the new classifications. This shall be phased in two parts - the first not to be payable before 1 January 1992, the second not before 1 July 1992.
- (7) If the parties cannot reach agreement on this valuation of the classifications within the new structure they agree to accept the outcome of an independent assessment referred to in para (8).
- (8) If the IRC is not available to make such assessments the WIRA shall employ a person or persons agreed between the parties for this purpose or in the absence of such agreement nominated by the Minister.
- (9) WIRA will be asked to report on the further training requirements necessary to implement these arrangements.

The Government will ensure the maintenance of the award system within this industry.

This process of resolution must be implemented immediately. I and Minister Collins will be available during next week to assist in this matter if required.
