



A.B.N. 49 110 847 399

**FEDERAL COURT OF AUSTRALIA
PRINCIPAL REGISTRY**

LOCKED BAG A6000
SYDNEY SOUTH NSW 1235

20 October 2016

ENTERPRISE BARGAINING UPDATE NO. 1

Dear colleagues

As you know we have commenced bargaining for a new Enterprise Agreement and Wednesday 19 October was the first very positive meeting. The Court indicated in the room that we are serious about bargaining in good faith and also made it clear that our tight financial position will make this process difficult – we will do what we can however to produce a result that is as good as it can be. We have previously indicated that we are subject to the Government's Bargaining Policy 2015, which we accept fully.

We also made it clear to the various bargaining teams that we must look at productivity initiatives that produce genuine improvements as part of this process. We will need to show that a proposed productivity initiative will result in permanent improvements in the efficiency, effectiveness and/or output of employees, based on reform of work practices or conditions.

Potential avenues for savings and approval process

There are various avenues to look at: employee terms and conditions, restrictive and inefficient enterprise agreement clauses, or agency procedures and processes. In short, a business case will need to be developed to show that we have met the required suite of efficiencies that enhance the courts' operations and we are able to more efficiently meet our operational requirements – produce more for the same or less resources. We will need to demonstrate that we can afford any pay increase within the existing budget and it must be remembered that we are operating under an approved deficit; our budget position is tight. The APSC must approve any proposed agreement. The APSC will be making this assessment mindful of the Government and community expectation that the public sector can be more productive, flexible and efficient and this must underpin and be offset against any increases in remuneration.

We will only make remuneration offers that we can actually afford. There will not and cannot be any budget supplementation for wage increases.

Productivity and impact

What does productivity mean? Simply it is the best use the resources that we have to produce products and services. When we produce more products and services, with the same or fewer resources, we have achieved that.

Productivity is not the same as affordability, but they are both important. If we can afford to pay an increase (at this stage we cannot), but there is no productivity improvement attached, then all we have done is increase the cost of running the Court – this is not sustainable.

Productivity can be seen across the economy. Years ago a top of the range laptop cost about \$5000 and by today's standards it would be an absolute brick. Current laptops run rings around what was possible years ago and now cost about \$2000. Airfares are a similar story. Fifteen years ago a flight from Sydney to Melbourne cost around \$400. Then, you stood in a queue to check in, bought a magazine for entertainment and knew you would be out of contact for the entire flight. Now, the average airfare is about \$160.

Check in is via an app before you even get to the airport and stream TV and movies, a book or magazine on your phone, laptop or tablet. That's productivity and how it affects us all. Productivity improvements in exchange for wage increases need to come from new things employees will do more of, do better or do differently – like the laptop and airfare story. Meeting the Government's efficiency dividend does not count, it will happen anyway. These are not available to support wage increases.

The Court's position

In this context, the Court put to the bargaining agents the following points as the basis of a potential new agreement that will cover all court employees:

1. The basis for a new agreement will be the *Federal Magistrates Court of Australia and Family Court of Australia Enterprise Agreement 2011 2014* (Family Court Agreement), not the Federal Court Agreement. This agreement covers the majority of the workforce.
2. Currently there are different work hours across the two prevailing agreements – to bring this into line we propose to move to 7.30 hour day, away from 7.35 minutes in the Family Court and 7.21 minutes in the Federal Court. In doing this we would eliminate the additional three days leave for Family Court Agreement, after the Christmas shutdown – Christmas shutdown leave would still apply as outlined in both agreements.
3. Redundancy provision to be the clause in the Family Court agreement.
4. Personal leave to reduce to 15 days from 18.
5. Four year agreement.

We are considering the various positions put to us at the meeting by each of the bargaining agents and it was agreed that they all have until Monday 24 October to send them to the Court. The Court has agreed to submit a draft agreement to all bargaining agents in the week commencing 7 November and another meeting has been scheduled for 16 November at 1.30pm.

We will provide further details as developments occur.

Regards
Darrin Moy
Director People, Culture and Communications

From the CEO



Not many products get better as they get cheaper.

Years ago, I bought a top-of-the-line laptop that cost me about \$5000. By today's standards, it would be an absolute brick. My current laptop runs rings around it and cost about \$2000.

Airfares in Australia have been on a similar trajectory. Fifteen years ago, a flight from Sydney to Melbourne cost around \$400. Back then, you stood in a queue to check in, brought a good book for entertainment and knew you'd be out of contact for the entire flight.

These days, the average entry cost for the same flight is about \$160. You can check in via an app before you even get to the airport and stream TV and movies on your phone or tablet while on board. From next year, you'll have free, fast wi-fi inflight.

That's an amazing change. The main reason it's happened is that airlines have found more efficient ways of doing things. And we've continued investing – particularly in technology, which is a huge driver of efficiency and also gives customers a better experience.

Those investments can be as small as the chip in your Frequent Flyer card or as big as the Boeing 787 Dreamliner. Or behind-the-

scenes investments such as a new scheduling system that helps us bounce back faster from weather-related delays.

There's no doubt that more affordable air travel is helping drive a surge in Aussie tourism. So is the lower Australian dollar, which is making a trip here much cheaper for overseas visitors. Tasmania is featured in this issue and it's a good example of a region that's making the most of this opportunity and marketing itself to the world.

You often hear about the Australian economy transitioning out of a mining boom. Tourism is a really important bright spot in that process, keeping in mind that it's one of our biggest exports.

A final point on affordable travel. In August, the aviation community was saddened to hear that Joe Sutter had died at the age of 95. Widely recognised as the "father of the 747", he led the engineering team at Boeing that created the aircraft that changed the economics of the industry with its size and efficiency. The jumbo made flying possible for millions of people through lower fares, including here in Australia; at one stage, when Qantas was purely an international airline, we had an all-747 fleet.

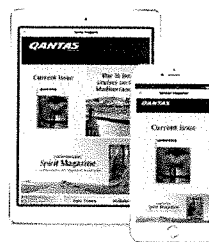
By finding new ways of using technology to lower prices and improve the experience for travellers, airlines are carrying on the legacy of pioneers like Joe – and the next innovation is never far away.

Alan Joyce
CEO, Qantas



Flying in comfort

They say everything is more profound in the air. Some people feel deeper emotions, others report heightened senses. We can't help you hold back the tears while watching *Me Before You* but Qantas First customers can get as comfy as possible while bawling their eyes out. Paris-based designer and Qantas creative director of fashion Martin Grant has created the cosiest pair of 100 per cent cotton navy pyjamas along with travel socks and slippers. There's also an amenity kit in a sophisticated navy canvas bag, which includes an eye mask to block out the light, plus face, hand and lip moisturisers from ASPAR by Aurora. Just ask the cabin crew for tissues if the movie becomes too much...



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