

20 May 2008

The Hon Julia Gillard MP
Deputy Prime Minister
Minister for Employment and Workplace Relations

PO Box 6022
House of Representatives
Parliament House
CANBERRA ACT 2600

By facsimile: (02) 6273 4115

Dear Deputy Prime Minister

Re: "Forward with Fairness"

While the details of the Government's collective bargaining regime have yet to be announced in detail, the conflict between the Party's "Forward with Fairness" document of April 2007 and the implementation plan of August 2007 have been seized upon by one of largest employers to undermine the right of employees to collectively bargain.

The collective agreement between the Alliance and Fairfax Media is now up for renewal. Yesterday the company, prior to any claims being served on the company nor any negotiations having taken place, Fairfax issued the attached document to some 1, 200 editorial staff.

I draw your attention point 2 on the first page, where the company says:

2. Employees earning above \$100, 000

The Company is proposing to adopt one of the underlying principles behind the new Federal Government's policy regarding employees earning above \$100,000. As stated in Labor's "forward with Fairness" Policy Implementation Plan (August 2007) "Those earning above \$100,000 will be free to agree their own pay and conditions without reference to awards."...

While, no doubt, your office will say that the \$100, 000 relates to award coverage and not collectively bargaining, the fact that the company is able to seek to drive a wedge among its employees and our members is solely due to the watering down of "Forward with Fairness" by the August 2007 document.

The original policy position that: "Under Labor award coverage will not be extended to cover those who are historically award free, such as managerial employees," caused the Alliance no problems. In fact, historically and to this day, Alliance awards specifically excluded those employees in named senior editorial positions from award coverage.

This clear position on award coverage was severely weakened by the implementation plan, where for the first time and contrary to the



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policy decided at National Conference employees earning over \$100,000 were to be excluded from award coverage. Alliance awards have always contained flexibilities for higher paid employees, such as rolling up of shift penalties and overtime into base rates.

The implementation plan, if put into effect, will put some 350 union members out of their award and if the company prevails in the upcoming collective bargaining round having to have one-on-one negotiations for their individual pay increases in a union negotiated collective agreement. Nothing could be more bizarre and distasteful than a Labor Government achieving such a result.

At the very least, the Alliance requests that you publicly inform Fairfax that its position is inconsistent with "Forward with Fairness".

Furthermore we request that your office meet with the Alliance to discuss the how the proposed \$100,000 award exclusion will destroy the flexibilities in our industries and the rights of employees who have always been covered by awards and union agreements, guaranteeing their minimum and in many cases actual salaries and conditions.

I look forward to your swift response.

Mark Ryan
Acting Federal Secretary