



BEFORE YOU VOTE

UNDERSTANDING THE NEW COLES AGREEMENT



Dear member,

As promised, we will now give you further detail to the agreement that you are about to be asked to vote on. Coles will or have already put out various materials telling you about the new deal. In this newsletter we will give you a straightforward assessment of the agreement with all its pros and cons. And there are indeed both pros and cons.

The reality behind the exercise of bringing 6 different sets of terms and conditions together in one document is that inevitably some areas go up and some go down to meet common ground. If we have done our sums correctly then the result is a package that is better off overall. This however will be for you to decide as some individuals' circumstances are affected more than others. You the workers get the final say and your vote will obviously be directed by whether or not you think that your part of the deal is worthwhile.

Let's get to it then.



Graham Smith
Federal Secretary

Starting with dollars and cents, the deal has four components;

1. Bringing the rates close to one common rate for each classification at the start of the agreement;
2. Giving those starting rates a reasonable increase of 5.5% to each classification;
3. Providing a reasonable cash benefit to catch up a little of the last couple of years without pay rises; in this case a team member benefit card that attracts no tax;
4. Providing a further pay rise in 2020 and at the same time bringing all of the classifications to the same rate of pay for each classification. In this case it will be whatever the Fair Work Commission decides but is likely to be around the 3% mark based on previous years.

What all this means in plain English is that at the start of the agreement there will be four classifications only; Manager, Butcher, Skilled Non Tradesperson, and Team Member.

The first year of the agreement rates for these will differ slightly in each state and Coles has produced a schedule to show exactly the effect on every state and so we wont repeat that here.

The reason for the difference is because each state currently has different rates of pay and so to bring them all together it takes a transitional period of twelve months where they will all come together at the end of the twelve month period.

In the meantime, they start from a slightly different base and hence the slight difference in the first year rates.

Rates on next page.

Questions? Contact your local AMIEU branch office to learn more.

The **core rates** (those that set the transition for the other rates) are as follows:

Meat Team Member	\$23.67 per hour	\$899.46 per week
Skilled Non-Tradesperson	\$25.56 per hour	\$971.28 per week
Butcher	\$27.79 per hour	\$1,056.02 per week
Department Manager	\$29.18 per hour	\$1,108.84 per week

On top of this there are various allowances but notably there is one that you receive automatically and can be counted in your weekly pay, other than when on leave, and is paid no matter what you are doing: the cold allowance of 29 cents per hour or \$11.02 per week.

In the second year these rates, along with the allowances, will increase by whatever the Fair Work Commission orders and takes effect from 1 July 2020.

Let's look at the rest of the deal.

The agreement is called the 2018 agreement because Coles wanted it that way and we couldn't be bothered arguing the title when there was so much else to work out.

It covers all meat staff, and this includes all people currently known as 'meat team members' or similar titles. Anyone who currently has one of the state meat agreements, or works in the meat departments in Queensland, will be covered by this agreement.

Voluntary or 'by agreement' definition

In this agreement there is a specific definition about how agreement is properly reached wherever this agreement allows for things to be done on a voluntary or by agreement basis. It is there to prevent coercion where people don't genuinely agree.

Disputes procedure

To enforce various aspects of the agreement the disputes procedure now allows for matters to be referred to the Fair Work Commission for arbitration

where discussion cannot settle the matter. Arbitration is a little like a court setting where the Commission hears the dispute and any evidence and then makes a binding determination that must be adhered to by the parties to the agreement. This is particularly useful when looking at the 'voluntary' or 'by agreement' types of disputes. It also contains a 'status quo' provision for rostering disputes where the old rosters must remain in force whilst the disputed rosters are discussed.

Flexibility

In many of the current agreements there are provisions for working outside the meat unit. Notably in a couple of states there was what was called a '49/51 provision', which meant that you could be rostered outside the meat unit for no more than 49% of your hours. There are two main changes to this type of approach.

1. Because the agreement itself provides that you must be predominantly employed in the meat unit, team members (previously known as packers / cabinet attendants) and skilled non tradespersons must still work the majority of their

hours in the meat units but is calculated over a longer period. For example, you may be asked to cover someone on annual leave for a week or more at a time, but then Coles must ensure that you are in the meat unit long enough after that to level out the hours.

2. Butchers cannot be rostered out of the meat unit at all. They may on occasion be asked to help in deli, seafood or fresh produce, but this can only be occasional and only if it can be done without interfering with the proper operation of the meat department. We anticipate many discussions about what constitutes 'occasional' and 'not interfering', and for exactly this reason the disputes procedure contains the ability to have these disputes arbitrated by the Commission if we can't sort them out with Coles.

Second-in-charge (2IC)

These classifications will no longer apply. The agreement contains a higher duties clause and sets out that where you are directed by Coles to take responsibility of the meat unit you will be paid the managers rate for that time. If it is less than 2 hours on any day

(remember that this clause is about anyone doing higher duties, not just in charge) then you will be paid for two hours. If it longer than 2 hours you will be paid for the full day for each such day. People who were classified as Second in Charge or 2IC will be paid a one off \$750.00 payment for the classification ending.

Types of employment

Employees can be either full time, part time, limited tenure, or casual. Casual and part time employees must be paid overtime if they work beyond 38 hours on any week. Their minimum daily engagements will be three hours, but all part time contracts already in place that have minimum hours specified will be honoured by Coles. Full time employees can still roster their hours to have six starts in one week and four in the next, however their weekly pay will reflect the hours worked each week. This is a departure from the averaging mechanism used previously but recent decisions of the Fair Work Commission could make this a compliance issue if people don't get paid each week for the work they actually do. In other words, we may not have a choice in this when making new agreements.

Part time employees who regularly work (over a twelve month period) additional hours to their contracted hours may request an increase in their contracted hours which Coles can refuse on reasonable business grounds. Reasonable business grounds will almost certainly generate disputes and again highlights the need for the arbitration provision in the dispute's procedure.

Casual employees who work regularly over a twelve month period may request to convert

to full time or part time employment. Again, Coles may refuse on reasonable business grounds, but these grounds are laid out in the casual clause (4.1.7) and may generate disputes that can be argued before the Commission.

Termination of employment

Very similar to all previous agreements with team members only required to give one weeks' notice, whereas Coles must give notice dependant upon length of service and age, of up to 5 weeks. Job search entitlements also apply where Coles give you notice to terminate your employment.

Redundancy.

Some agreements contain the national standard for redundancies. Some contain enhanced redundancies for where stores go Retail Ready. The new agreement will have one standard that is better than the national standard but eliminates the enhanced provisions for Retail Ready redundancies. This is quite obviously a case of pros and cons in the one area.

Junior rates

These do not apply to the Butcher classification as any juniors in that case would be apprentices. Adult rates start at 20, 19 year old's will receive 90%, 18 year old's 75%, 17 year old's 65% and under 17 years, 55%.

Apprenticeships

These will now be competence based and allow for early sign off in as little as three years where progression is rapid.

Superannuation

The company makes headlines

about choice of fund. We don't quite follow their rapture over this but where you don't pick a fund the default fund will be the Meat Industry Employees Superannuation Fund. The agreement will also make clear that salary sacrifice contributions cannot be used to offset employer contributions.

Allowances

The list of allowances in Part 7 includes various allowances that are covered by the General Retail Industry Award and will increase in line with the award increases over the years. The allowances from the Western Australian agreement have also been incorporated into this agreement.

Hours of work and penalties.

This is a real mixed bag depending on which state agreement covers you currently. Most of the current agreements have no or limited Saturday penalty rates, some have reduced Sunday rates at 50%, most allow for ordinary hours from 5 am, some have a 25% penalty applying from 6 pm and others from 9pm. Without question Victoria and Western Australia maintain the most generous penalty rates, but even those states have differences in early start or late night rates.

To cut a long story short, the penalty rates in the agreement will cut Sunday rates other than in Queensland and New South Wales, cut Saturday rates to full time employees in Victoria, but restore many other long lost penalty rates. These include a return to 25% penalties for Saturdays, 25% penalties for work after 6 pm Monday to Friday, and 50% penalties for work prior to 7 am Monday to Friday.

Sunday penalties will be 165% for the first term of the agreement and then reduce to 150% in July 2020. When this deal was struck, we were convinced the ALP would win the election and restore the Sunday penalty rates and so the agreement contains a clause to mirror whatever the award does. The loss of the election will not see the restoration of Sunday penalties and so this must be calculated by each of you in your consideration of the agreement.

Full time workers in Victoria will have the Saturday 75% penalty dealt with by freezing the amount of money that this currently equates to and Coles will continue to pay that to the affected workers as a savings provision. This amount will not be affected by future increases in rates and so it will eventually erode, but over a very long period of time. This will not apply to new workers.

The spread of hours that you could be rostered to work, subject to applicable penalty rates, are 7 am to 11 pm Monday to Saturday, and 9 am to 11 pm Sunday. It is unlikely that the late nights will get much if any use, but Coles wanted consistency with the rest of the store. However, the span is there so be aware of it.

Overtime will be paid at double time after two hours of overtime.

Rosters

The rostering principals in the new agreement are in a table format and much easier to read.

The first notable point is that it is a 19 start month. You can do 20 if you want but the default is 19.

If you work Sundays, you will get a three day weekend which includes a Saturday and Sunday.

You must get two consecutive days off per week, or three consecutive days off per fortnight.

Rosters cannot be changed in any 3 consecutive 4 weekly cycles.

If you are working 4 hours or more a 15 minute paid break is part of the roster. Working more than 7 hours attracts a second 15 minute paid break.

Leave provisions

There are some new and / or different leave provisions for meat unit staff.

Public holidays will retain the non-working day benefit for both full time workers, and now part time workers who do 19 starts per month. This is where the public holiday falls on your non-working day, and you will get either an additional days' pay, or another day off within 28 days of the holiday falling. One drawback of the agreement is where the company can direct you to work on public holidays at the 225% penalty rate if they can't get sufficient volunteers. In small team meat units, as most are, this could lead to issues.

Butchers picnic has been renamed as Meat Team Member Leave but is still a feature of this agreement and extends to all States and Territories, even those who didn't get it previously.

Domestic Violence Leave is now included and provides for up to 5 paid days per annum.

Various other forms of leave have been added to include the leave from the store agreement; blood donor, natural disaster leave, emergency services leave, defence service leave etc.

A change to some of the current arrangements exists for annual

leave where most of the current agreements provide for annual leave to be paid as what you would have earned on your normal roster plus 17.5% leave loading. The new agreement only pays the higher of the two amounts of money. In other words, annual leave will be paid on base rate plus either the penalties you would have received for your normal roster, or the 17.5% leave loading whichever is the greater.

Other savings

There is a whole section of the new agreement which shows which of the older savings provisions from current agreements have continued in this agreement, which is most of them. There are also some new ones to deal with things like the Victorian Saturday penalties etc. These can be found in Appendix C at the end of the agreement.

Members, we encourage you to read the agreement, ask questions of Coles, ask questions of our organisers as they come around, ring or email your local branch office of the union for advice, but please make sure that you understand what the agreement says before you vote. We are here to help you with that so don't be afraid to ask.

As you can see from the summary above, the new agreement changes a lot of the state by state arrangements but ends up with a universal set of conditions around Australia and pulls all of the Coles AMIEU members together around the country for the first time ever. There is strength in that dynamic and we are hopeful that future agreements will be much easier to do and will put Coles in a position where they have to contend with a joint strike force of unionists across the country.