

From: Stephen Smith [<mailto:Stephen.Smith@aigroup.com.au>]
Sent: Friday, 14 September 2018 6:18 PM
To: Chambers - Asbury DP
Cc: AMOD; Ashvini Ambihapahar; zach.duncalfe@nat.awu.net.au; 'Motti, Eric'; Larsen, Inez; Abha Devasia; 'Ben Rogers'
Subject: AM2017/56 Sugar Award 2010

Dear Associate

The previously filed correspondence is attached; this time with the correct Draft Determination annexed.

We would appreciate the removal of the incorrectly filed version from the website, to avoid confusion.

Ai Group will liaise with the other parties regarding the issues in your email below and respond as directed by the Deputy President.

Yours sincerely

Stephen Smith
Head of National Workplace Relations Policy



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14 September 2018

Deputy President Asbury
Fair Work Commission

Dear Deputy President

Re. AM2017/56 – Sugar Industry Award

This correspondence is sent on behalf of Ai Group, the ASMC, the NFF, the AMWU, the AWU and the CEPU.

The parties refer to the following direction in an email received from Your Honour's Associate on 4 September 2018:

I refer to the Directions issued on 20 June 2018, and note that the Deputy President had directed the parties file a report back document reflecting the parties positions, including any issues that are agreed and not agreed. I further note that a document has not been received. It is also noted that at the Mention of 20 June 2018, the parties had indicated that the only outstanding matters that would require arbitration by the Full bench would be the question regarding the interaction between casual loading and piecework loading, and the tool allowance claim.

Accordingly, the Deputy President directs the Parties to provide a document indicating a final consensus position of the parties in relation to all claims in this matter, and that indicates if arbitration is required for any matters still in dispute. The Deputy President also directs the parties to file a draft determination for all agreed matters. The document is to be provided by **close of business on Friday 14 September 2018**.

At the Conference on 20 June 2018, there were two outstanding issues:

1. **Whether the casual loading and the piecework loading compound upon each other or whether they are separately calculated**

This was, and still is, a matter in contention between the NFF and the AWU. At the Conference, Mr Rogers from the NFF and Mr Duncalfe from the AWU indicated a preference for this matter to be arbitrated on the papers. This remains the parties' position on this issue.

2. **The AMWU's claim for a tool allowance for apprentices**

The AMWU and Ai Group have had discussions about the AMWU's claim for a tool allowance for apprentices covered by the *Sugar Industry Award 2010*. Following those discussions, the AMWU has proposed the **attached**



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Draft Determination. Ai Group and the ASMC do not oppose the Award being varied in the terms of the Draft Determination.

With regard to the AMWU's Draft Determination, the CEPU has been involved in the drafting. However, the CEPU seeks to make further submissions about the following two concerns that it has:

1. The operation and impact of clause 22.31(f)(ii) of the Draft Determination, which requires apprentices who do not complete their apprenticeship to repay to the employer the value of tools, at the time of supply, without considering the depreciated value of the tools; and
2. The operation and impact of clause 22.31(g) of the Draft Determination, which requires apprentices who do not complete their apprenticeship to repay to the employer the pro rata value of the allowance for the incomplete portion of the apprenticeship.

Ai Group and the ASMC oppose the CEPU's proposed amendments. The AMWU understands that the terms of the Draft Determination were a compromise that arose from the discussions with Ai Group.

We trust that this clarifies the parties' position on the outstanding issues.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. Smith'.

Stephen Smith

Head of National Workplace Relations Policy

Fair Work Act 2009

Part 2-3 Division 4 – 4 Yearly Review of Modern Awards

s.156(2)(b)(i)

Sugar Industry Award 2010

(MA000087)

AM2014/247

DEPUTY PRESIDENT

SYDNEY, X XXX 2018

1. Further to the decision and reasons for decision <<decision reference>> in AM2014/247, it is determined pursuant to section 156(2)(b)(i) of the Fair Work Act 2009, that the Sugar Industry Award 2010 be varied as follows.
2. Add a new clause 22.31 with consequent renumbering of existing clauses 22.31 – 22.35:

22.31 Tool allowance for apprentices

- (a) Subject to paragraph (b) the employer must supply to apprentices referred to in Clause 12 of this award, all tools ordinarily required for the apprentices to perform their work, (Apprentice Tool Pack). Such Apprentice Tool Packs must be for no less than the retail price than set out in the following table:

Apprenticeship type	Annual value of tools	Total Retail Value of tools
Engineering Tradesperson (Electrical)	\$450	\$1800.00
Engineering Tradesperson (Electronic)	\$450.00	\$1800.00
Engineering Tradesperson (Fabrication)	\$337.50	\$1350.00

Engineering Tradesperson (Mechanical)	\$450.00	\$1800.00
Higher Engineering Tradesperson	\$450.00	\$2250.00
Systems Electrician	\$450.00	\$1800.00
Assembly and Servicing Tradesperson - Electrical	\$450.00	\$1800.00
Instrumentation Tradesperson	\$450.00	\$1800.00
Refrigeration and Air Conditioning Tradesperson	\$450.00	\$1800.00
Systems and Instrumentation Tradesperson	\$450.00	\$1800.00
Electricity Supply Tradesperson	\$450.00	\$1800.00
Other tradesperson	\$337.50	\$1350.00

- (b) If the employer does not supply an apprentice with an Apprentice Tool Pack, the employer must pay the apprentice a tool allowance (apprentice tool allowance) that must be equivalent to the total retail value of the tools set out in paragraph (a).
- (c) The employer must supply the Apprentice Tool Pack or the apprentice tool allowance:
- i. In total, within a period of 3 months after employment commences or at the end of the probationary period, whichever first occurs; or
 - ii. In annual instalments, with the first instalment being supplied within a period of 3 months after employment commences or at the end of the probationary period, whichever first occurs.
 - iii. During the second and subsequent years of the apprenticeship, the tool allowance must be supplied within a period of 3 months from the commencement date of each year.
- (d) If the employer requires an apprentice to supply any tools not included in the Apprentice Pack, the employer must reimburse the apprentice the retail value of the tools, upon proof of purchase of the tools, purchased by the apprentice, to the employer.

- (e) The Apprentice Tool Pack supplied to an apprentice by their employer will become the property of the apprentice.
- (f) If the apprentice does not complete the apprenticeship with their employer:
 - i. the Apprentice Tool Pack must be returned to the employer; or
 - ii. the retail value of the Apprentice Tool Pack must be reimbursed to the employer;
- (g) Where the apprentice was provided an apprentice tool allowance paid in a single instalment, the pro rata value of the allowance for the incomplete portion of the apprenticeship must be refunded by the apprentice to the Employer within three months of the end of employment
- (h) Where the apprentice has purchased tools during their apprenticeship, for which they have not been reimbursed, the tools must remain the property of the apprentice.
- (i) An apprentice must replace or pay for any tools supplied by their employer which are lost because of the negligence of the apprentice.
- (j) An apprentice is not required to pay for any tools supplied by their employer which are lost whilst securely stored at the employer's premises.
- (k) If an employer has provided tools or paid a tool allowance to an apprentice prior to (*insert date of award variation*), the retail value of the tools or the amount of the allowance will be deducted from any entitlements of the apprentice under this clause.
- (l) Where an apprentice is re-indentured with a different employer, the provisions of this clause shall apply with equal effect to the apprentice's new employer in relation to the residual term of apprenticeship but so that the collective obligations of the several employers does not exceed the requirements of this clause when applied to one employer.