

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
Western Australia Branch
Secretary Phillip Olsen ~ Research Assistant Jackie Parkin



Sunday, 5 April 2009

Attention of all AIMPE members.

Dear Members,

RE; OFFSHORE OIL AND GAS AGREEMENTS.

There have been a number of discussions and meetings with various employers in the Offshore Oil and Gas Sector, going back to September last year.

The employers, through their industry group, the Australian Mines & Metals Association, (AMMA) has sent us the attached offer.

This was received after close of business last Friday 3rd April.

There has been no discussion with any employer or group regarding this offer.

Please send your comments.

Kind regards,

Phil Olsen



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3 April 2009

WITHOUT PREJUDICE

Mr P.Olsen
WA Secretary & Federal Vice-President
Australian Institute of Marine and Power Engineers
169 Stock Road
Palmyra WA 6157

Dear Phil,

EBA RENEWAL NEGOTIATIONS 2009 VESSEL OPERATORS

As you are aware the Vessel Operators (the Operators) enterprise agreements with your union reached their nominal expiry dates on 31 December 2008.

A number of Operators wrote to your union late last year regarding initiating discussions to replace their agreements. You will also be aware that the Operators have commenced negotiations with the MUA and the AMOU to replace their respective enterprise agreements.

The Operators are concerned that any lengthy delay in replacing your agreements may delay the benefits to flow to your members on eventual finalisation of the agreements. As a consequence the Operators have met and instructed AMMA to initiate the renewal process with your union by putting the following offer which is consistent with that proposed for the other maritime unions.

The Operator's offer takes into consideration the economic uncertainty in our industry and recent demands from clients to reduce salary and condition costs.

The offer addresses the following four areas:

- Salaries;
- Construction Work;
- Late Crew Change and
- Swing Off Days.





There are a number of other issues that the Operators and no doubt your union will also wish to raise which can be addressed when we meet to commence the agreement renewal negotiations.

SALARIES

The Operators propose the following salary increases for your members to be paid in the first pay period beginning on or after the dates below:

1st April 2009	Date Final Agreement Reached 2009	2 nd Anniversary of Agreement 2010	3 rd Anniversary of Agreement 2011
2.5%	2.5%	CPI plus 0.5% (Min 2%-Max 4.5%)	CPI plus 0.5% (Min 2%-Max 4.5%)

(Payment of retrospective salary increases will not be paid on accumulated leave balances.)

CONSTRUCTION PAYMENT

Should employees be engaged on Construction Projects (as defined) they will receive a new construction payment of either:

- \$90.00 for each duty day engaged on the construction project; or
- employees working on a *Specialist Vessel* (117%) on construction projects where non marine employees are also undertaking construction work on the same vessel a construction payment of \$130.00 for each duty day.

The Operators have composed the wording of a *Construction Payment Allowance Bonus* (PAB) clause to reflect the above offer in the replacement EBA's (Attachment (1)) and rewritten the existing EBA definitions for *construction work* and *specialist vessel* in the following terms:

"Construction Project" means:

work involving the installation of new jackets, topsides, pipelines, flow lines, risers and associated mooring systems for offshore platforms, monopods, FPSO's and FSO's. It does not include remedial work, maintenance, repair or replacement of existing jackets, topsides, pipelines, flow lines, risers, mooring systems or associated infrastructure.

"Specialist Vessel" means either:



vessels engaged on specialist tasks for a certain period, that is, free span corrections on new pipelines, new sub-sea installations using a crane and saturation diving from a DP2 vessel; OR any of the following types of vessels:

- pipe layers;
- DP2 or DP3 dive support vessel;
- self-propelled cable layers (not including seismic vessels); and
- rock dumpers.

CREW CHANGE OVER

The EBA's allow a grace period of three days without penalty should a crew change not occur in accordance with the rostered cycle, over-cycle days four onwards become additional penalty days.

Where a late crew change occurs as per the existing EBA's and a penalty payment becomes due, the penalty payment is proposed by the Operators to commence from the second day of over-cycle, being day 37 for five week swings and day 30 for four week swings, which is two days earlier than the existing entitlement.

Five-Week Cycle

Cycle Day	35	36	37	38	39
Days Over Cycle		1	2	3	4

(Penalty to commence on day 2)

Four-Week Cycle

Cycle Day	28	29	30	31	32
Days Over Cycle		1	2	3	4

(Penalty to commence on day 2)

SWING OFF DAY CHANGE

The swing off day is a day that your members may be required to perform duties for all or part of the day. Notwithstanding that employees are already remunerated for this since this item was rolled into salaries, the Operators will pay an additional payment of one day's pay (dead day) at the employee's normal rate of pay as full compensation for any work performed on each swing off day.

The proposed reintroduction of swing off days (bought out in the 90's) as dead days is equivalent of an additional 5.2 days pay on a five week swing and 6.5 days pay for four week swings or an approximate salary increase of 1.6%.





In addition to the above; all allowances and other miscellaneous payments in the EBA's will be increased in the traditional manner.

The above offer in relation to *salaries, construction work, late crew change and swing off days* in the replacement EBA's is in the Operators view a considerable advancement and sign of good faith in progressing the negotiations.

We look forward to your union's considered response.

Regards

A handwritten signature in black ink, appearing to read 'Geoff Bull'.

pp **Geoff Bull**
Manager Hydrocarbons



CONSTRUCTION PROJECT ALLOWANCE BONUS

A Construction Project Allowance Bonus (PAB) is payable at the completion of construction projects as defined in Clause 3 - Definitions. The PAB will apply in accordance with the criteria outlined below.

(a) Eligibility

- (i) The PAB is only payable to Officers who are employed on vessels engaged on Construction Projects for a continuous period of at least one week (seven continuous days). That is, it is not payable to Officers engaged on vessels which visit the project site to deliver or take away loads of miscellaneous cargo and are not engaged continuously on the Project.
- (ii) When an Officer qualifies for the PAB, the PAB will be paid for every duty day the Officer is specifically engaged on the Project. It does not include:
 - Mobilisation and demobilisation voyages;
 - Pre and post miscellaneous and ancillary work including but not limited to site survey;
 - Days on workers compensation, sick leave (personal injury and accident insurance), study leave or compassionate leave; and
 - Superannuation.
- (iii) Subject to the above, the PAB is paid from the vessels initial arrival on location or when it first commences to take on cargo from the construction program's Australian supply base, whichever is applicable. The PAB ceases upon the vessel's permanent departure from the construction project location or when the construction phase is deemed to have finished.
- (iv) Project MOU's will address the issue of when the construction phase is "deemed to have finished".

(b) Conditions of PAB Payment

- (i) The PAB will be \$90.00 for each duty day engaged on the Project. For those Officers working on a *Specialist Vessel (117%)* on construction projects where non marine employees are also undertaking construction work on the same vessel, the PAB will be \$130.00 for each duty day.
- (ii) The PAB will be paid as a flat day rate.
- (iii) An Officer shall not qualify for the PAB for any part of the swing if they have engaged in industrial action in breach of Clause 12 – *Settlement of Disputes Procedures* or the provisions of the *Occupational Health and Safety (Maritime Industry) Act 1993*.
- (iv) In the case of a permanent Officer, who is transferred to another operation or goes on workers compensation or continues in the Employer's employment when they complete work on the Project, payment will be made on a pro rata basis for each day worked on the Project.