



STATEMENT

Fair Work Act 2009

s.739 - Application to deal with a dispute

DHL Supply Chain (Australia) Pty Limited

V

United Workers' Union

(C2020/1798)

COMMISSIONER CAMBRIDGE

SYDNEY, 25 MARCH 2020

Alleged dispute about any matters arising under an enterprise agreement and the NES; [s186(6)].

[1] This matter involves an application made under section 739 of the *Fair Work Act 2009* (the Act) for the Fair Work Commission (the Commission) to deal with a dispute in accordance with a Dispute Settlement Procedure (DSP). The application was lodged at Sydney on 25 March 2020, and it was made by *DHL Supply Chain (Australia) Pty Limited* (DSC or the employer), and the other Party named in the application was the *United Workers' Union* (UWU or the Union).

[2] This Statement is issued following an urgent telephone conference that was convened by the Commission at 2 pm today. The application is unusual as it relates to DSPs that are found in 15 enterprise agreements which cover the supply chain operations of DSC across 51 sites covering a diverse range of industry sectors which relevantly include the airline/travel/leisure sectors and the medical supplies/retail sectors. As a result of the unprecedented economic impacts associated with the COVID-19 pandemic, a number of the employer's supply chain operations, particularly those in the airline/travel/leisure sectors, face imminent closure and potential stand-down of relevant employees.

[3] In these precarious economic circumstances, DSC has engaged in consultation with its potentially affected employees and the UWU in an endeavor to implement measures that may avoid or mitigate the loss of gainful employment. This consultation process has led to an agreement in principle being reached between DSC and the UWU which involves arrangements to facilitate the temporary redeployment of employees engaged in industry sectors that are severely impacted by the economic effects of the COVID-19 pandemic to other industry sectors that currently have ongoing work availability.

[4] Ordinarily, the redeployment of employees in the manner that is anticipated would involve the potential application of different terms and conditions of employment arising from the enterprise agreements that cover the particular work undertaken as part of the redeployment. Potentially, as the number of redeployment opportunities might evolve, a

variety of different terms and conditions of the various applicable enterprise agreements would ordinarily apply to the individuals as they were redeployed, and possibly even further redeployed. The application of various different terms and conditions of employment in the circumstances of the anticipated redeployment represents a significant inefficiency and detracts from the prospect of the provision of redeployment opportunities generally.

[5] Consequently, DSC and the UWU have reached an in-principle agreement that the temporary redeployment arrangements arising from the economic effects of the COVID-19 pandemic will not involve the application of different terms and conditions of employment but instead, any redeployed individual shall maintain the terms and conditions that were previously applicable in respect of the employee prior to any redeployment. Therefore, in circumstances where any redeployment involves work covered by a particular enterprise agreement, the terms of that enterprise agreement shall not apply to any redeployed employee, but instead the terms and conditions that were previously applicable to that employee prior to any redeployment shall be maintained. These arrangements are described as “the COVID-19 redeployment pay maintenance arrangements.”

[6] The COVID-19 redeployment pay maintenance arrangements are to be included in specific individual offers of temporary redeployment which require the acceptance of individual employees. The COVID-19 redeployment pay maintenance arrangements are to operate on and from today, 25 March 2020, for a period of 90 days thereafter. The Parties have agreed to review the COVID-19 redeployment pay maintenance arrangements before the expiry of the 90-day period of operation. The UWU has stipulated that it reserves its position generally in respect to any further operation of the COVID-19 redeployment pay maintenance arrangements, and it has specifically indicated that any extension to the operation of the arrangements would require its subsequent agreement to such an extension.

[7] The Commission has issued this Statement so as to record the details of the COVID-19 redeployment pay maintenance arrangements, and to provide endorsement of those arrangements by the Commission as currently constituted. The Parties are commended for adopting a cooperative, common sense approach which has established an agreement to implement measures that will hopefully mitigate the direct employment losses arising from the economic impacts of the COVID-19 pandemic.

[8] The file in this matter will remain open, and the Parties will have liberty to apply at short notice for relisting of further proceedings in the event that any dispute arises in respect to the operation of the COVID-19 redeployment pay maintenance arrangements.

COMMISSIONER

Appearances:

Mr D Byrne with Mr J Wimalaratna, Ms R McDonald and Ms C Gorrey appeared for DHL Supply Chain (Australia) Pty Limited.

Mr J Dixon with Ms A Thwaites appeared the United Workers' Union.

Hearing details:

2020.

Sydney (By Telephone):

March 25.

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