

POWER AND WATER CORPORATION - INFORMATION SHEET 2/2015

IMPROVED OFFER FOR A NEW ENTERPRISE AGREEMENT

This information sheet outlines the terms of the Commissioner for Public Employment's "without prejudice" offer which was made on 18 June 2015 to the Australian Manufacturing Workers Union (AMWU); Professional Australia (PA); Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia (ETU Branch); and the Community and Public Sector Union (CPSU), for a new enterprise agreement to replace the 2010-2015 Power and Water Enterprise Agreement, which expired on 17 May 2015.

To address the rising budget deficit, the Northern Territory Government has had to implement a tighter fiscal strategy to bring expenditure under control.

In response to financial pressures, the Northern Territory Government approved the [Northern Territory Public Sector Wages Policy 2013 - 2016](#) (the Wages Policy). The objectives of the Wages Policy include:

- ensuring costs arising from bargaining outcomes are kept within the Government's fiscal parameters; and
- delivering increased efficiency, effectiveness, savings, service outcomes and workplace reform across agencies (efficiency measures).

Of particular note is that the total overall cost of an agreement outcome (including the cost of salary and allowances, salary restructuring, changes to conditions etc.) is capped at 3 per cent per annum, and payment of the 3 per cent per annum is subject to efficiency measures being achieved. If these efficiencies cannot be achieved then the 3 per cent may be revised down.

New agreements will not be able to contain provisions that restrict the government's capacity to allocate financial, capital or human resources according to its policy priorities, or to restrict the powers and functions of the Commissioner for Public Employment and Chief Executive Officers (CEOs) under applicable legislation.

This offer has been developed in accordance with the Wages Policy, and it is considered to be fair and reasonable, taking into account the current budgetary environment locally and nationally, forecasted CPI over the relevant period, competitiveness of current salaries, and the previous bargaining which included a 3 per cent salary increase per annum without any efficiencies.

The terms of this improved offer comprise a total package of improvements and changes to terms and conditions of employment. The salary offer is dependent on the achievement of the proposed efficiencies and if these cannot be achieved the Commissioner for Public Employment reserves the right to vary the salary component accordingly.

Enterprise Agreement

The new agreement to be in the form of an enterprise agreement made under the Fair Work Act 2009.

Duration

The new agreement to have a three year term expiring 12 months after the final salary increase paid under the agreement, which will provide employees with stability in terms and conditions over this period.

Salary Quantum

Subject to the achievement of the efficiency measures in this offer and the approval of the agreement by the Fair Work Commission:

- An initial salary increase of 3 per cent to be paid effective from the beginning of the first pay period commencing on or after 9 August 2015, or any subsequent date which the parties reach agreement, which ever is the later;
- A second salary increase of 3 per cent to be paid from the beginning of the first pay period commencing on or after a period of 12 months after the initial salary increase; and
- A third salary increase of 3 per cent to be paid from the beginning of the first pay period commencing on or after a period of 24 months after the initial salary increase.

Salary increases under the new agreement will not apply to employees who cease employment with the NTPS prior to approval of the agreement by Fair Work Commission.

Maintain the majority of key employment conditions

The majority of key employment conditions will be maintained for the next three years. All leave and allowances will continue in exchange for the efficiencies outlined in this offer.

Superannuation Guarantee

The Commonwealth Superannuation Guarantee (SG) is the compulsory system of superannuation support for eligible employees, paid for by employers. The current rate of SG is 9.5 percent and any increases applied during the term of the agreement will apply to eligible NTPS employees not already receiving the minimum SG amount through membership of a defined benefit scheme, in addition to the salary increases.

Performance Achievement Process including the Individual and Corporate Safety Bonuses

During negotiations there has been a considerable amount of work in developing the My Plan process to ensure staff can continue to develop their skills in line with their role. As part of the improved offer for the My Plan process and the bonus system, employees should successfully complete the generic elements of safety, behaviour and position responsibilities under Part A before the position specific elements under Part B (Increment or Top of Band bonus). There will also be the opportunity to continue to develop alternate training and development opportunities for trade technical roles outside of "job models". However it is expected that trade proficiency would continue to be the priority but that it would be more closely aligned to the needs of the business units.

Use of Contractors

In light of the concerns raised by unions in relation to the proposed minor amendments for the use of contractors, the Commissioner is prepared to retain the existing use of contractors clause. Further, in line with improving consultation he has agreed to include quarterly consultation meetings in relation to the forward works program. These additional significant concessions have been made to reassure employees and unions that there is no intention to increase the use of contractors. However there will continue to be times that Power and Water Corporation will need to supplement the workforce to ensure it can continue to deliver services.

HV Field Operator Allowance for Key Regional Staff

Power and Water Corporation recognise that there are some staff in regional areas who are authorised to perform complex switching tasks. The Chief Executive Officer of Power and Water Corporation has agreed to undertake a review to identify those staff who are performing these complex tasks in the regions. The Commissioner has agreed to issue a determination to enable the identified regional staff to be paid the HV Field Operator Allowance.

Consultative Committees

There are currently several consultative committees covering a range of areas many of which have become redundant or have been superseded by legislation. After listening to feedback raised in bargaining the Commissioner is prepared to incorporate these operational committees as examples of the types of committees that the Joint Consultative Committee may establish from time to time. Consultation and joint engagement to discuss operational matters remains important and the Joint Consultative Committee will continue to be the mechanism for this to be achieved.

Target Apprentice intake

There continues to be a commitment to remain a host employer for apprentices and for apprentices to be employed at the end of their apprenticeship. The Commissioner expects that there will be an increase in Indigenous apprentices in the coming years as part of the overall strategy to increase Indigenous Employment in the NTPS. While he had intended to remove the target, he has listened to the unions' feedback and agreed to retain a specific targeted apprentice intake of 10 apprentices per annum.

Domestic Violence Leave

Employees in the Northern Territory Public Service already have access to significant provisions for Domestic, Family and Sexual Violence Leave. This leave has not been capped and provides a multitude of circumstances in which it can be accessed such as time off to seek safe accommodation, attendance at medical or counselling appointments, accessing legal advice and attendance at court hearings as well as arranging alternative care arrangements for children. This leave has been in place for several years and to improve awareness the Commissioner has agreed to include references to this and other miscellaneous leave in the Agreement.

Efficiencies

Redeployment and Redundancy Provisions

Align the provisions with the NTPS 2013-2017 Enterprise Agreement and remove procedural matters already covered by Employment Instruction 14, which applies to NTPS employees.

Accessing personal leave while on unpaid parental leave

Removal of clause 79.9(b) which provides an employee on the first 52 weeks of unpaid parental leave, access to personal leave. This will ensure consistency with the principle that there is no access to personal leave during any periods of unpaid leave that do not count as service.

However, access to recreation leave and long service leave will now be available at any time during the period of unpaid parental leave.

Replacing Extended Leave Scheme

Replacing the extended leave scheme with the advance notice of extended leave without pay.

Recovery of monies from employees

Power and Water Corporation will develop internal procedures for the recovery of monies from employees in consultation with employees.

Probation Period

Increase the probation periods to six months in line with the *Public Sector Employment and Management Act*.

Fair Work Act Requirements

The Fair Work Act sets out numerous requirements that must be in all enterprise agreements. As a consequence the following changes have been identified to ensure the Fair Work requirements are met:

- Changes to parental leave providing for safe job;
- Improved Flexible work arrangements for returning to work after parental leave; and
- Model Change Management clause specifically in relation to changes to regular roster and ordinary hours of work.

New Agreement

In addition to the specific matters relating to the content of the agreement referred to above, the agreement is to be updated to:

- a) improve clarity and remove ambiguity where necessary;
- b) update to ensure compliance with *Fair Work Act* provisions where necessary;
- c) remove provisions that are better dealt with through policy or procedure;

- d) remove provisions that simply duplicate PSEMA provisions and are therefore unnecessary;
- e) remove provisions referencing other legislation which are better dealt with specifically under that legislation and inclusion in the agreement is therefore unnecessary;
- f) remove clauses relating to commitments now fulfilled, thereby rendering the clause obsolete;
and
- g) ensure consistency of common core entitlements across the NTPS (eg: security of employment, personal leave, compassionate leave).

This offer, while dependent on achieving moderate efficiencies, continues to provide substantial wage outcomes which keeps Power and Water Corporation within the market and ensures the certainty and security of employee conditions.