

JACANA ENERGY - INFORMATION SHEET 2/2015

IMPROVED OFFER FOR A NEW ENTERPRISE AGREEMENT

This information sheet outlines the terms of the Commissioner for Public Employment's improved "without prejudice" offer which was made on 29 May 2015 to the employee nominated bargaining representative, for a new Jacana Energy Enterprise Agreement to replace the 2010-2015 Power and Water Enterprise Agreement (the current 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 outcomes which included a 3 per cent salary increase per annum without any efficiencies.

The terms of this 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 two 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 2.05% to be paid effective from 1 July 2015; and
- A second salary increase of 2.05% to be paid from 1 July 2016.

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

Maintain the majority of key employment conditions

The majority of key employment conditions will be maintained for the next two years. All leave and allowances conditions will continue in exchange for the moderate efficiencies being sought in line with 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.

Increase of Recreation Leave to Six Weeks for all employees

The accrual of recreation leave would be increased from five to six weeks per annum over the duration of the agreement, with a corresponding decrease in the "Additional leave options for employees with five weeks recreation leave" provisions under clause 80.4 of the current agreement.

It is proposed in the first year of the agreement that:

- an additional 2.5 days recreation leave would accrue progressively commencing from 1 July 2015 (bringing the total to 5½ weeks per annum); and
- a maximum of 2.5 days would be available for employees through the "Additional leave options for employees with five weeks recreation leave" provisions during the period 1 July 2015 to 30 June 2016; and

In the second year of the agreement:

- a further additional 2.5 days of recreation leave would accrue progressively, commencing from 1 July 2016 (bringing the total up to 6 weeks per annum); and
- the “Additional leave options for employees with five weeks recreation leave” would cease to apply with effect from 1 July 2016, as all employees would commence accruing 6 weeks recreation leave per annum from this date.

Jacana Energy Individual Performance & Personal Development Plan

The current MyPlan process will be replaced with the proposed Individual Performance & Personal Development Plan recently agreed to with employees. The new plan would commence from 1 July 2015 and provide for the payment of annual bonuses as follows:

- An individual bonus of up to \$1000 and a salary increment or top of designation bonus depending on individual achievements; and
- A corporation bonus of \$500 providing mandatory compliance obligations have been completed and Jacana Energy achieves the corporate objectives in line with the criteria and satisfaction of the board.

The first payments under the new plan would be assessable and payable after the completion of the 1 July 2015 to 30 June 2016 assessment period. The current MyPlan processes and bonus payment criteria would apply for the 1 July 2014 to 30 June 2015 period.

Review and remove all clauses which are not related to the retail business

As provided in a working draft copy of a proposed new agreement during bargaining, clauses in the current agreement which do not relate to the retail business of Jacana Energy will be removed. These include a range of clauses which relate to generation, transmission and distribution activities (e.g. allowances, special rates, rostered days off, shift work, time sheet recording, apprentices and use of contractors, which are trade based related and are not relevant to the retail business).

Further, the Joint Consultative Committee clause including sub-committees within the current Power and Water Corporation agreement will be updated in line with my initial offer (and the working draft copy of the proposed new agreement) to provide for a Jacana Energy joint consultative committee to discuss general employment related issues relevant to the corporation.

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 and long service leave will now be available at anytime during a period of unpaid parental leave (currently limited to the first 24 months of parental leave)

Replacing Extended Leave Scheme

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

Recovery of monies from employees

Jacana Energy will develop internal procedures for the recovery of monies from employees in consultation with employees.

Probation Period

Increase the probation periods to six months to align 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:

- Fair Work Model Change Management Clause to replace clause 17 of the current agreement;
- Changes to parental leave providing for safe jobs;
- Improved flexible work arrangements for returning to work after Parental leave.

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 Jacana Energy within the market and ensures the certainty and security of employee conditions.