

POWER AND WATER CORPORATION - INFORMATION SHEET 1/2015

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 17 March 2015 to the Association of Professional Engineers, Scientists and Managers, Australia (APESMA); Australian Manufacturing Workers Union (AMWU); 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 is due to expire 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 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 four 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; and
- 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;
- 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; and
- A fourth salary increase of 3 per cent to be paid from the beginning of the first pay period commencing on or after a period of 36 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 four years. All leave and allowances will continue in exchange for efficiencies in several key areas which are necessary now that the organisation has split into the three entities, Jacana Energy, Power and Water Corporation and Territory Generation.

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.

Review the Performance Achievement Process including the Individual and Corporate Safety Bonuses

Power and Water Corporation wishes to undertake a review of the My Plan process and the bonus system to improve its efficiency, effectiveness and align the system to Power and Water Corporation's business plan.

The review would specifically consider the following areas:

- the individual and corporate safety bonus;
- the pay progression process;

It is not the intention to remove the payment of the bonuses but it is intended to revise the criteria and process to ensure the ongoing application of the bonus for its payment. It would be anticipated that employees would be required to successfully complete the generic elements of safety, behaviour and position responsibilities under Part A of the bonus scheme before the position specific elements of the performance plan objectives for Part B (Top of Band bonus). The pay progression requirements would also align with the corporation's business plan.

Review of the process for the Use of Contractors

Power and Water Corporation wishes to undertake a review of the process for using contractors specifically considering:

- Guidelines and general parameters for contractor use;
- Contractor documents and requirements; and
- Consultation requirements.

It is not intended that the type of work being undertaken by contractors would increase but Power and Water Corporation wishes to improve the efficiency in engaging and using contractors in line with the Power and Water Corporation procurement framework.

Review the 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. Consultation and joint engagement to discuss operational matters remains important and a more efficient approach to communicate and engage is needed.

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. However the targeted intake is out dated particularly since the structural separation and should be removed.

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 22.10(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.

Replacing Extended Leave Scheme

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

Recovery of monies from employees

Align the process for the recovery of monies with staff across the NTPS at cessation of employment, and ensure that during employment recovery cannot exceed 10% of an employee's gross salary without their consent.

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:

- Fair Work Model Change Management Clause;
- Changes to parental leave providing for safe job;
- 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 Power and Water Corporation within the market and ensures the certainty and security of employee conditions.