

ENTERPRISE AGREEMENT

NO: E.A. 44 /1992

DATE REGISTERED: 4-12-92

PRICE: \$ 26-00

**SHORTLAND ELECTRICITY**

**SENIOR MANAGEMENT ENTERPRISE AGREEMENT**

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## 2) Title of Agreement

This agreement shall be known as the Shortland Electricity Senior Management Enterprise Agreement.

## 3) Parties to the Agreement and Coverage

- (a) The parties to this agreement are the Shortland County Council (herein Shortland Electricity) and no less than sixty five percent (65%) of the employees specified in paragraph (b) of this clause who are employed by Shortland County Council.
- (b) This agreement covers employees and intending employees (herein called Senior Managers) who are employed in the classifications of Salaried Officers Band 12 and above in the Shortland County Council (Salaried and Professional Staff) Award, or its replacement, and who have entered into a Fixed Term Performance Based Contract of Employment in terms of the Flexible Packaging Policy, as amended from time to time, with Shortland Electricity (Attachment A).
- (c) The enterprise for which the Agreement is made includes all operations within the Shortland County Council area.
- (d) Parties confirm that this Agreement was not entered into under duress.

## 4) Award Coverage

Senior Managers are covered by the Shortland County Council (Salaried and Professional Staff) Award for any provisions not specifically covered by this Agreement.

## 5) Rates of Pay

- (a) The total annual package remuneration range for Senior Management shall be as follows;
  - Band 12, \$86,180 - \$96,124
  - Band 13, \$92,990 - \$102,673
  - Band 14, \$98,456 - \$115,130
- (b) Senior Managers can choose to receive their total remuneration in accordance with the Shortland Electricity Flexible Packaging Policy, as amended from time to time (Attachment A).
- (c) The rates set out in paragraph (a) above shall be reviewed annually in July by Shortland Electricity. In undertaking such a review Shortland Electricity shall;
  - (i) give effect to general movements in Shortland Electricity's Award, and
  - (ii) shall take into account all other relevant circumstances, including market forces, quality and level of performance and changes in the cost of living.

## 6) Allowances

- (a) The following allowances and clauses in the Shortland County Council (Salaried and Professional Staff) Award shall not apply to Senior Managers;
  - (i) Higher Grade Pay, Clause 9, "Employment out of Regular Grade".
  - (ii) Overtime, Clause 10 "Overtime (other than for Shift Workers)".
  - (iii) Driver's License, subclause (xi), Clause 6 "Extra Allowances".
- (b) The following clauses in the Shortland County Council (Salaried and Professional Staff) Award shall be applied and paid in the terms as specified in the Shortland Electricity Contract of Employment for Senior Managers and have been included in the calculation of the total remuneration as set out in clause 5;
  - (i) Clause 18 "Annual Leave Loading".
  - (ii) Long Service Leave Loading, subclause (viii), Clause 19 "Long Service Leave".

## 7) Hours of Work

All Senior Managers shall work;

- (a) on a professional basis, those hours as are necessary to fulfil the duties and responsibilities of the position required and shall be an average of 35 hours a week, Monday to Friday;
- (b) by agreement with the General Manager the hours of work provided in subclause (a) may be worked on a flexible basis, current arrangements for structuring of 9 day fortnights will apply, the Senior Manager will be expected to, when required forego such recreation days by arrangement with the General Manager.

## 8) Private use of Cars

All Senior Managers are eligible for private use of a Council vehicle and may choose to do so under the Shortland Electricity Flexible Packaging Policy.

## 9) Sick Leave

- (a) Senior Managers shall be entitled to 70 hours sick leave per year without any loss of pay. Untaken sick leave may be accumulated from year to year but will not be paid out on termination. The provision relating to the production of medical certificates will not apply to Senior Managers unless specifically requested by the General Manager.

- (b) Sick Leave accumulated under the Shortland County Council (Salaried and Professional Staff) Award prior to this agreement, may be claimed once the sick leave provided in subclause (a) has been exhausted, and on termination is payable in accordance with the provisions of that Award.

## 10) Disputes Procedure

- (a) Whilst not precluding the right of any party to a dispute from proceeding under the provisions of the Industrial Relations Act 1991, the following procedures for the settlement of disputes, claims and grievances will be adopted and adhered to, so as to ensure that negotiations and consultation take place between the parties in an honest endeavour to arrive at a settlement by avoiding direct action which will or is liable to interrupt service to Shortland Electricity's customers or inhibit its ability to provide and maintain supply.
- (b) The following specific procedures will be adopted. Any dispute, claim or grievance involving this Agreement shall be dealt with as follows:
  - (i) A Senior Manager must first take the matter up with the immediate Senior Manager concerned.
  - (ii) Should the matter remain unresolved the dispute should then be taken to the General Manager within 48 hours.
  - (iii) Should agreement not be reached after Stage (ii) of this procedure the Employee Relations Manager shall convene a meeting within five (5) working days of being notified. At this meeting a Senior Manager may be represented by a union representative or other nominated person and the General Manager will also attend along with appropriate officers to the dispute.
  - (iv) In the event of the dispute remaining unresolved, the matter in dispute is to be referred to the appropriate tribunal before which the Senior Manager may be represented by his union or other nominated person.
  - (v) During all stages of the negotiations and including any hearings before an industrial tribunal, the status quo will be maintained by both parties and without prejudice to either party, work shall continue in accordance with the provisions of Shortland Electricity's Award and this Agreement. Status quo shall mean the state of affairs or circumstances in existence prior to the incident or incidents occurring which directly or indirectly results in the exercising of the Dispute Procedure.

## 11) Termination

- (a) The employment of a Senior Manager may be terminated in the event of the following:
  - (i) By Agreement in writing between the parties.

- (ii) With three (3) months' notice in writing by either party or by the payment of three (3) months' pay in lieu of notice by the Shortland Electricity if the Senior Manager fails to meet the mutually agreed performance criteria as established by means of the Performance Management System, as amended from time to time (Attachment B), or by the forfeiture of three (3) months' pay in lieu of notice by the Senior Manager.

In reviewing the failure of a Senior Manager to meet the performance criteria the principles established under Senior Executive Service shall apply.

- (iii) Without notice, in circumstances which would entitle an employer at Common Law to summarily dismiss the Senior Manager.
- (iv) With three (3) months' notice, in circumstances which would entitle an employer at Common Law to dismiss the Senior Manager.
- (v) At the expiration of the term of a Senior Manager's fixed term Contract of Employment.

Notice of intention to renew such contract shall be given twelve (12) months prior to the date the contract term is due to end.


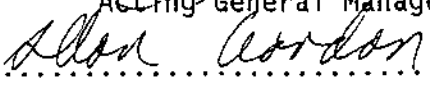

- (vi) Where the Senior Manager is permanently appointed to another position in Shortland Electricity, and a new contract has been negotiated to cover the new position.
- (b) In the case of termination of the employment in circumstances of a bona fide redundancy the Senior Manager shall receive, in addition to notice, compensation equivalent to 12 months' salary package.

**12) Term of Agreement**

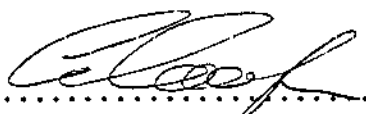
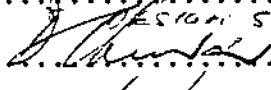
This agreement shall take effect from the beginning of the first pay period to commence on or after the date of registration by the Industrial Registrar and remain in force for a period of three (3) years.

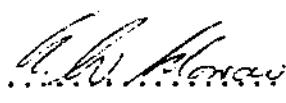
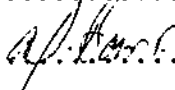
**13) Declaration of Agreement**

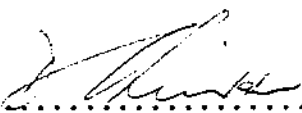
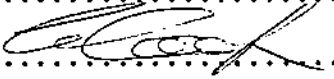
Signed for and on behalf of Council;

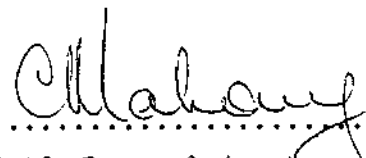

Signature: .....  .....  
 Acting General Manager  
 Witness: .....  .....  
 Date: .....  .....


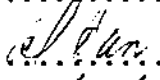
List of Employees:

Signed by:   
Print Name: CUVE COOPER  
Occupation: DIRECTOR BUSINESS DEVELOPMENT DESIGN SERVICES  
Witness:   
Date: 15/9/92


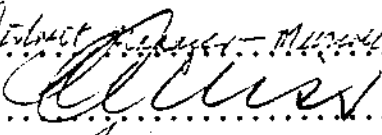
Signed by:   
Print Name: NEVILLE MORROW  
Occupation: DISTRICT MANAGER LAKE MACQUARIE  
Witness:   
Date: 15.9.92

Signed by:   
Print Name: DAVID KINDEL  
Occupation: DISTRICT MANAGER AITLAND  
Witness:   
Date: 15/9/92

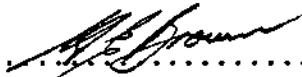
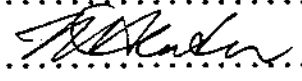
Signed by:   
Print Name: CHRIS MANCOSA  
Occupation: MANAGER NETWORK CONTROL ROOM  
Witness:   
Date: 16-9-92



Signed by:   
Print Name: GEOFFREY LILLISS  
Occupation: DISTRICT MANAGER NEWCASTLE  
Witness:   
Date: 15/9/92

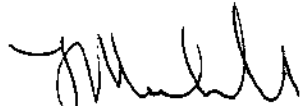
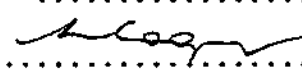
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Print Name: .....  
Occupation: .....  
Witness: .....  
Date: .....

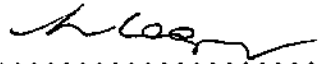
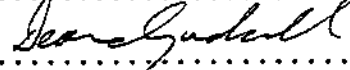
Signed by:   
Print Name: ARTHUR DAVID BARR  
Occupation: DISTRICT MANAGER - MURRUMBidgee  
Witness:   
Date: 15/9/92



Signed by: .....  
Print Name: .....  
Occupation: .....  
Witness: .....  
Date: .....

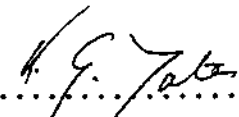

Signed by:   
Print Name: KEITH BROWN  
Occupation: DIRECTOR OF INFORMATION SERVICES  
Witness:   
Date: 15-9-92


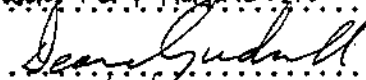
Signed by:   
Print Name: MICHAEL SLATER  
Occupation: DIRECTOR FINANCE  
Witness:   
Date: 15-9-92

Signed by:   
Print Name: Terry Mulville  
Occupation: SALES MANAGER  
Witness:   
Date: 15-9-92

Signed by:   
Print Name: NEIL COOPER  
Occupation: FINANCIAL ACCOUNTANT  
Witness:   
Date: 15/9/92

Signed by:   
Print Name: Deane Gudsell  
Occupation: Technical Projects Manager  
Witness:   
Date: 15/9/92

Signed by:   
Print Name: KEITH YATES  
Occupation: PLANNING MANAGER  
Witness:   
Date: 15/9/92

Signed by:   
Print Name: B. LEWIS  
Occupation: MARKETING & MAIN CUSTOMER ECG.  
Witness:   
Date: 15/9/92

Signed by: .....  
Print Name: .....  
Occupation: .....  
Witness: .....  
Date: .....



## 1 REMUNERATION PACKAGE POLICY

As part of the terms of Shortland Electricity's contract of employment, members of senior management are able to choose to take total remuneration of salary and other benefits to suit their individual needs down to a minimum salary of 50% of the total package value.

The amount of remuneration is to be established through negotiation with the General Manager.

Members may change their election of benefits annually within the bounds of the Policy. The composition of the flexible remuneration package can be altered without affecting the other terms of the contract of employment.

The underlying principles of benefits outlined hereafter for Shortland Electricity contracts are in accordance with those outlined by the Senior Executive Services Unit. Where a clause in this document conflicts with the provisions of Senior Executive Services then the relevant Senior Executive Service guidelines will apply.

When benefits are selected, Shortland Electricity will arrange to establish a set of accounts which will be used for the regular accumulation of funds for the benefit of each member of Senior Management. Payments to a third party can then be debited to the spending account or the member can be reimbursed from the account for expenses.

If benefits are elected and are not spent or reimbursed during the contract year, that part of the remuneration package shall be paid to the member as salary in order to ensure that he or she receives the full value of their annual remuneration package. Alternatively, the member can request to accrue that amount to the next financial year by agreement with the General Manager.

## 2 CALCULATION OF PACKAGE

The package shall consist of the following components:

- 2.1 Award Salary (Annual salary shall equal the weekly rate times 52.2).
- 2.2 15.8% of Award Salary for the:
  - (a) reduction in sick leave from 18 to 9 days per year.
  - (b) Working on the basis of professional hours (i.e. working hours required to complete allocated tasks).
  - (c) Loss of Award Security.
  - (d) Loss of higher grade pay.
- 2.3 Annual Leave and Long Service Leave Loading in accordance with the relevant Award covering the Manager.

## 2.4 SUPERANNUATION

The Superannuation component added to the package is based on the maximum allowable employee contribution of 9% plus the benefit of the employer component and the productivity superannuation payment of 3%.

## 2.5 MOTOR VEHICLE VALUATION

Vehicles have been costed into the package on the basis of Senior Executive Service costings.

For employees in Band 12, a vehicle of the standard of a Commodore Executive or Ford Falcon GL has been included and costed into the package.

Employees in Bands 13 and 14 have had costed into their package a vehicle of the standard of Ford Fairmont Ghia.

## 2.6 INCIDENTAL EXPENSES

A flat \$500 allowance is included which constitutes recognition of employment related expenses (e.g. driver's licence, business use of private telephone).

# 3 BENEFITS

Each member of Shortland Electricity's senior management may select a package of "core" and "optional" components.

The core component includes:

- Salary
- Approved Leave with pay
- Annual Leave Loading and Long Service Leave loading
- Superannuation
- Motor Vehicle - business/private

NOTE: Each executive must take at least 50% of their package as salary.

The optional benefits include:

- Housing payments
- Child Care expenses
- Health Fund premium
- Private travel
- Aged Care expenses
- Transport expenses
- Education expenses
- Professional Subscriptions

## 3.1 Fringe Benefits Tax

The cost of Fringe Benefits Tax must be included in the remuneration cost of benefits provided as part of the total remuneration package.

Fringe Benefits Tax is payable when an employer provides an employee with benefits including:

- the use of a car
- Loan benefits
- Expense benefits (e.g. payment of health premium funds)
- Travel benefits (except when business related in accordance with Senior Executive Service Policy)
- Property benefits.

### 3.2 MOTOR VEHICLES

Members of Senior Management have initially had included in their package a motor vehicle on a private/business use basis (70/30).

At the time of changeover of existing vehicle a new motor vehicle can be obtained in accordance with Senior Executive Services guidelines and Shortland Electricity's policy.

#### 3.2.1 Choice of Vehicle

Members of Senior Management may choose the size, make and model of the vehicle purchased as a vehicle from those covered by Government Contract for the model range produced by Ford and G.M.H. The size and model of vehicle will depend on the business needs of the organisation and individual choice can only be accommodated within these constraints.

Private car travel applies when the car is used solely for private use. (as defined by the Australian Taxation Office)

#### 3.2.2 Access to Vehicle While on Leave

Members with business/private cars will be able to have access to the vehicle whilst on leave for up to six (6) weeks per annum, subject to Shortland Electricity requirements for these vehicles to be available for business use by other officers in that period, with the approval of the General Manager.

#### 3.2.3 Changeover of Motor Vehicle

The standard changeover time is two years or 40,000 kilometres.

#### 3.2.4 Access to Private Use of Vehicle

Licensed drivers are authorised under the provision of the contract to drive the vehicle on the authority of the contracted employee.

### 3.3 PRIVATE TRAVEL

Members of Senior Management may elect private travel as an employment benefit. The private travel may be for the member and associates i.e. partner, relatives and other persons. Fares, meals and accommodation are claimable as private travel benefits.

Each member will need to nominate the amount for private travel at the commencement of the remuneration year and must incur expenditure first and then seek reimbursement from the private travel fund.

#### 3.3.1 Business Travel

100% business travel will be met by the employer under current procedures and will not be costed in as part of the total remuneration package.

Where an employer supports travel for business purposes but is unable to fund such travel or declines to fund the travel, then the travel can be purchased from the executive's total remuneration package. In the circumstance the travel is exempt from fringe benefits tax, the employer must certify the travel is for business purposes.

### 3.3.2 Unspent Travel Funds

If a member does not expend the nominated private travel amount, it should be "cashed out" for them at the end of the remuneration year at their annual review, or alternatively the benefit may be carried over into the new contract year following approval by the General Manager.

### 3.3.3 Costing of the Travel Benefit

Private travel is subject to Fringe Benefits Tax.

## 3.4 CHILD CARE EXPENSES

Child care expenses may be chosen as an employment benefit. The benefit must be paid to a third party (other than a family member of dependent) who is a licensed child carer or an accredited Child Care Centre.

The executive will need to estimate the amount of the total remuneration package to allocate to child care for the year and provide for deductions each fortnight or month against which they may seek reimbursement of accounts paid.

## 3.5 AGED CARE SERVICES

Aged Care expenses may be chosen as an employment benefit. Payments may be made for the care of an elderly relative by an approved third party. This benefit is designed for payments to recognised public or private sector providers of support, accommodation, health or welfare services and not to other family members. These services may be provided in the person's home or in an external facility.

## 3.6 EDUCATIONAL EXPENSES

Payments may be made to a third party for current educational expenses incurred for education of a family member or for self-education.

This benefit applies to pre-school, school or educational institution term fees, music or sport tuition fees, but does not cover books, uniforms, equipment, accommodation, or other school expenses.

In terms of self-education expenses, these expenses may not be subject to Fringe Benefits Tax. If the expenses are allowed as tax deductible then under the "otherwise deductible" rule they would be Fringe Benefits Tax exempt.

## 3.7 TRANSPORT EXPENSES

This benefit is intended to provide for the payment of periodic bus and rail fares as well as taxi fares. Payment to a third party for routine transport expenses by any family member can be made.

This benefit is not meant to replace or supplement existing travel or car benefits.

### 3.8 HOUSING AND RENTAL PAYMENTS

Members may select a housing mortgage payment as a benefit option for any owner-occupied non-income producing property, or they may elect to have rent payments made if they lease their home. Shortland Electricity shall make a direct payment to an authorised third party on behalf of the member from the total remuneration package.

### 3.9 HEALTH FUND PREMIUMS

Payment of a health fund premium may be chosen as an employment benefit. The payment must be made to a recognised health insurance fund. Members may join a new fund, stay in an existing fund, or top up their cover.

The cost of the benefit is the actual cost incurred plus Fringe Benefit Tax.

## 4 SALARY

### 4.1 Salary Payable

The percentage nominated to be paid as Salary from the package by the member may only be altered annually.

### 4.2 Notional Salary for P.S.E.S.S.

For the purpose of P.S.E.S.S. the "notional salary" shall be according to the rules of the P.S.E.S.S. Scheme.

### 4.3 Salary for Award Benefit Purposes

For the purposes of Award benefits, for example Long Service Leave, the "salary" shall be 72.5% of package.

### 4.4 Superannuation

A minimum level of superannuation must be included in the package such as to comply with relevant Legislation.

## 5 ACCESS TO FLEXIBLE PACKAGING

Access to Flexible Packaging shall be through a Performance Based Contract only. In the event of a contract not being renewed, access to Flexible Packaging will not be available to the member and traditional Award coverage shall resume.

## 6 PERFORMANCE

The criteria under which the performance of a member of Senior Management is determined shall be established and assessed in accordance with the Shortland Electricity Performance Review Policy.

# SHORTLAND ELECTRICITY

## FLEXIBLE PACKAGING POLICY

Performance Based Contracts should be seen in conjunction with:

- The relevant provisions of the Shortland County Council (Salaried & Professional) Award.
- The relevant provisions of Shortland County Council Policies.
- The Shortland Electricity Flexible Packaging Policy.
- The Shortland Electricity Performance Review Policy.
- The Performance Based Term Contract.
- The Offer letter.

The "Performance Based Term Contracts" are offered to members of the Senior Management group:

W Elliott	General Manager
J Griffiths	Director of Administration and Marketing
G Lilliss	District Manager Newcastle
M Slater	Director of Finance
D Kinder	District Manager Maitland
C Cooper	Director Business Development and Design Services
N Morrow	District Manager Lake Macquarie
D Barr	District Manager Muswellbrook
K Brown	Director of Information Services
C Mahony	Manager Network Control and Communications
D Gudsell	Technical Projects Manager
T Mulville	Appliance Sales Manager
K Yates	Planning Manager
N Cooper	Finance Accountant
E Lewis	Marketing and Major Customers Engineer

The abovementioned may elect to be subject to this Policy.