

ENTERPRISE AGREEMENT

NO: E.A. 110 /1994

DATE REGISTERED: 6-4-94

PRICE: \$ 18-00

***TUMUT RIVER
ELECTRICITY***

**ENTERPRISE AGREEMENT
1993**

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1. TITLE OF AGREEMENT

This Agreement shall be known as the Tumut River Electricity Enterprise Agreement 1993.

2. PARTIES TO THE AGREEMENT

An enterprise agreement, pursuant to the NSW Industrial Relations Act 1991, in accordance with the provisions of s.115 - 142 of the Act, entered into between Tumut River Electricity, 76 Capper Street, Tumut, 2720 and :

- i) The Electrical Trades Union of Australia, NSW Branch,
36 - 38 Hutchinson Street, Surry Hills, NSW, 2010.
- ii) Federated Municipal & Shire Council Employees' Union of Australia
(New South Wales Division),
235 - 239 Clarence Street, Sydney, NSW, 2000.

It is agreed by the parties as follows :

3. INTENTION

Tumut River Electricity intends to be a leading electricity distributor and supplier operating on fully commercial principles by 1996.

- (i) The parties to this Agreement are committed to the achievement of the Tumut River Electricity's Year 5 "Performance Agreement" targets.
- (ii) This Agreement details the method by which increases in rates of pay, based on productivity improvements, may occur for employees.

The parties accept that any such increase in rates of pay shall be linked to Tumut River Electricity's productivity improvement and that such pay increases will be in accordance with the methodology detailed in this Agreement and Schedule 'A' of this Agreement.
- (iii) The provisions of this Agreement to their extent, take precedence and override any provision of the County Council (Electricity Undertakings) State Awards or any other Award or Agreement dealing with the same matters, that apply to the parties to this Agreement.
- (iv) The provisions of the County Councils (Electricity Undertakings) Conditions of Employment and Classifications and Rates of Pay (State) Awards shall continue to apply to the extent that those provisions are not provided in this Agreement.

4. RATES OF PAY ADJUSTMENT

On and from 1 November 1993 each employee's award rate of pay shall be increased by 1.35% in consideration of the following.

ANNUAL LEAVE LOADING

(i) This Agreement shall preclude the payment of Annual Leave Loading to employees except in accordance with the provisions set out below.

(ii) Each employee shall be paid annual leave loading in respect of accrued annual leave and proportionate annual leave attributable to service up to and including 31 October 1993.

Such payment shall be paid to employees in the first pay period commencing after this Agreement is signed by all parties to the Agreement.

(iii) Annual Leave Loading shall not be paid for any annual leave which accrued on or after 1 November 1993.

(iv) Annual Leave Loading, whether on annual leave which has accrued or pro rata shall not be paid on resignation or termination of employment or for any other reason.

5. PAST PERFORMANCE

In recognition of each employee's contribution to Tumut River Electricity's performance and in addition to the increase in rates of pay, provided in Clause 4 of this Agreement the following payments shall be made.

i) From 1 November 1993 each employee shall be entitled to a \$330 in house benefit paid into a nominated Electricity Account.

ii) On and from 1 November 1993 each employee's award rate of pay shall be increased by 0.65%. Provided that the increases provided under this sub-clause and Clause 4 shall not exceed 2% in total.

iii) On and from 1 July 1994 each employee's actual rate of pay shall be increased by a further 2%. Actual rate of pay means the employee's award rate of pay as increased pursuant to Clause 4 and sub-clause (ii) of Clause 5 of this Agreement.

6. PRODUCTIVITY

(i) In this clause, the following definitions apply :

"operating costs per customer" - operating costs per customer excluding interest and depreciation and including capitalised operating costs.

"customer satisfaction" - the sum of the domestic and business customer satisfaction indicators.

"system serviceability" - this is the OSSI indicator as at 30 June 1993. The base is set at 99%.

Definitions are based on Tumut River Electricity's Performance Agreement definitions, and Tumut River Electricity's performance in respect of these indicators will be as measured in accordance with the procedure outlined in Tumut River Electricity's Performance Agreement.

(ii) The parties agree that productivity improvements are a key factor in Tumut River Electricity achieving Performance Agreement targets.

The contribution of staff to the achievement of these targets will be recognised through the implementation of a productivity linked pay scheme.

(iii) The scheme will rely primarily on improvements in the "operating costs per customer" indicator with the "customer satisfaction" and "system serviceability" measures both acting as moderating indicators, as the basis for determining increases in the rates of pay.

These indicators will be applied in accordance with Schedule "A" for the purpose of determining increases in rates of pay.

(iv) The parties agree that should circumstances arise (which are reasonably beyond the control of the employees), which adversely affect the performance indicators, then discussions will occur between the parties as to what, if any, allowance or variation should be incorporated into the model.

6. PRODUCTIVITY (cont'd)

(v) In addition to the increases provided by clauses 4 and 5 a productivity linked pay increase will be paid from 1 July 1994 as calculated by the formulae in schedule "A".

The parties agree that should circumstances arise (which are reasonably beyond the control of Tumut River Electricity) which adversely effect the 93/94 budgeted operating surplus on the audited income and expenditure statement and reduce the operating surplus before financial transfers and abnormal items to less than \$350,000 then the amount of productivity linked pay increase, in respect of the period 1993/94 shall be limited to a maximum of 2%.

(vi) The provisions of Clause (v) will only be invoked to a productivity factor P of 2% and above.

It is agreed that if all targets are met the following productivity factor is calculated at 2.0468%.

$$\begin{array}{rcl} & & \text{Operating Costs} \quad \times \text{Customer} \quad \times \text{System} \\ & & \text{Satisfaction} \quad \text{Serviceability} \\ \hline \% P & = & 2 \times \frac{(397.96 - 377.74)}{(397.96 - 377.74)} \times [1.0234] \times [1] \\ & & = 2 \times 1 \times 1.0234 \times 1 \\ & & = 2.0468\% \end{array}$$

7. DURESS

This Agreement has been entered into by the parties in good faith and without duress.

8. STATE WAGE CASE

If a State Wage Case is determined during the life of this Agreement it shall be dealt with according to the following principles :

(i) Cost of living adjustment - any component of the State Wage increase which is identified in the decision as a cost of living adjustment shall be paid to employees covered by this Agreement subject to any conditions imposed by the decision. The payment of any cost of living adjustment shall be in addition to rates of pay paid under this Agreement.

(ii) Productivity increase - any component of the State Wage increase which is a productivity based or linked increase shall be discounted to the extent of any productivity payment made under this Agreement.

9. TERM

This Agreement shall commence on the date of registration and shall remain in force for a period of twelve (12) months unless varied or terminated as provided for by the Industrial Relations Act 1991.

10. FUTURE NEGOTIATIONS

The parties to this Agreement agree to commence negotiations on a new Agreement no later than 30 March 1994.

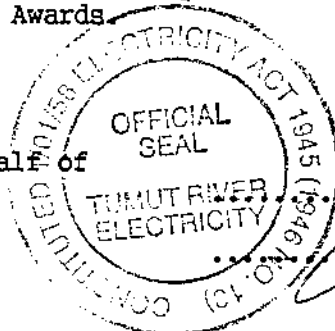
11. SETTLEMENT OF GRIEVANCES AND DISPUTES

The parties to this Agreement shall, in respect of any grievance or dispute concerning the provisions or implementation of this agreement, observe and implement the Grievance and Dispute settlement procedure contained in Clause 35 of the County Council (Electricity Undertakings) Conditions of Employment Award.

12. AREA AND INCIDENCE

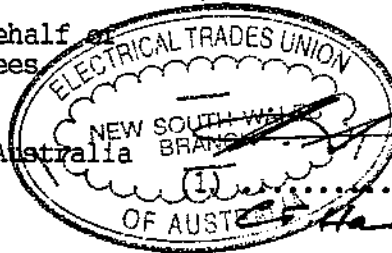
This Agreement shall apply to and be binding on Tumut River Electricity and all employees thereof, employed under the provisions of the County Councils (Electricity Undertakings) State Awards.

Signed and sealed for and on behalf of
Tumut River Electricity



In the presence of

Signed and sealed for and on behalf of
Tumut River Electricity Employees

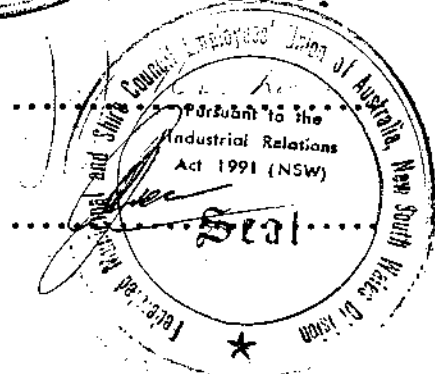


Electrical Trades Union of Australia
NSW Branch

Federated Municipal & Shire Councils
Employees' Union of Australia
New South Wales Division

(2)

In the presence of



SCHEDULE A

PRODUCTIVITY LINKED PAY INCREASES (see clause 6 Productivity)

(1) OPERATING COSTS PER CUSTOMER

$$P = 2\% \left[\frac{AR}{R} \right]$$

where:-

P = % pay increase per \$ reduction in operating costs per customer.

2% = Amount of available pay rise. (Nominal 2%)

R = \$ target range between last year's and this year's operating costs per customer.

AR = \$ actual range achieved between last year's and this year's operating costs per customer.

(2) CUSTOMER SATISFACTION.

$$CS = 1 + 5 \left[\frac{NC-OC}{OC} \right]$$

where:-

CS = pay adjustment factor due to whether the customer satisfaction measure increases or decreases.

NC = new sum of domestic and business customer satisfaction indicators.

OC = old sum of domestic and business customer satisfaction indicators.

(3) SYSTEM SERVICEABILITY

$$SS = 1 + 5 \left[\frac{AS-99}{99} \right]$$

SS = pay adjustment due to whether the system serviceability measure increases or decreases above the base of 99%

AS = actual serviceability as at 1st July 1994.

(4) ACTUAL PAY RATE DUE TO COMBINING (1), (2) and (3) ABOVE.

*Using the following formulae the productivity linked pay adjustment can be calculated.
Where PR% is the % additional pay rise from 1st July 1994. (subject to "cap" clause 6 (v) productivity.)*

$$PR\% = [P \times CS \times SS]$$

NB. SS & CS are limited not to fall below 0.9 and PR% cannot be less than 0%