

# ENTERPRISE AGREEMENT

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HEAD OFFICE MISCELLANEOUS EMPLOYEES

(STATE)

ENTERPRISE AGREEMENT

1993

*B. J. Meek*

*for*

*By*

*of*

*U. of*

*Bridge*

*California*

*W. G. ...*

PART A - AGREEMENT FORMALITIES

1 TITLE

This Agreement hereinafter referred to as this Agreement shall be known as the Western Power Head Office Miscellaneous Employees (State) Enterprise Agreement, 1993.

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*B. J. Mead*

*Ames*

*Ryan J B AP. L. G. M. G. H. C. W. S.*

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**PARTIES BOUND**

An Enterprise Agreement, made in pursuance of the NSW Industrial Relations Act 1991 in accordance with the provisions of Section 115-142 of the said Act, entered into between Western Power of Hawthorn Street, Dubbo and

- (a) Employees of Western Power Head Office occupying Job Share positions that carry out solely, switchboard, cashier, cashier support and wordprocessing duties. Clauses 14, 15(b), 20, 21, 22, 23, 24 and 28 of this Agreement shall not apply to these employees.
- (b) Employees of Western Power Head Office occupying Office Cleaner positions. Clauses 9, 13, 15(a) and 26 of this Agreement shall not apply to these employees.
- (c) This Agreement does not apply to general Administrative and Clerical Officers covered by the Western Power Head Office Employees (State) Enterprise Agreement.

**4 DATE AND PERIOD OF OPERATION AND RENEWAL**

- (a) This Agreement shall take effect from the beginning of the first pay period commencing on or after the date of this Agreement's registration under the provisions of the Industrial Relations Act, 1991, and shall remain in force until 30 June 1995.
- (b) No less than six (6) months prior to the date of expiry of the Agreement, the parties will meet and discuss a renewal of the Agreement including a review of the Performance Measures, forecast movement in the Measures and the amount of future increases if any.

**5 RELATIONSHIP TO PARENT AWARDS**

This Agreement shall be read and interpreted wholly in conjunction with the following awards (hereinafter called the Award):

- (i) County Councils (Electricity Undertakings New South Wales) Conditions of Employment (State) Award 1992; and
- (ii) County Councils Electricity Undertakings New South Wales) Classifications and

*BS & Mark*

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*MS*

*Ryan* *DR* *DR* *DR* *DR*

provided that where there is any inconsistency between this Agreement and the Award this Agreement shall take precedence to the extent of the inconsistency and in all other cases the award shall apply.

## 6 ANNUAL STAFF REVIEW

Staff classifications and gradings will be reviewed annually. Promotions, accelerated incremental progression, higher gradings and reclassification shall be in accordance with the Award. Employees who, at the commencement of this Agreement, have a written undertaking from Western Power concerning future gradings, shall be graded, at the relevant time, in accordance with the terms of the undertaking.

Incremental scales and progression will apply to the job share and office cleaner positions in accordance with the Award.

## 7 AIM OF AGREEMENT

It is the aim of the parties to this Agreement to implement workplace practices so as to provide for more flexible working arrangements, which will improve efficiency and productivity, enhance skills and job satisfaction and assist positively in ensuring that Western Power becomes a more efficient and productive enterprise.

The parties agree that the aim of this Agreement is to facilitate:

- (a) flexible working hours;
- (b) workplace productivity;
- (c) the development and maintenance of the most productive and harmonious working relationship obtainable.

The parties also agree that the aim of this Agreement will not be limited to the measures set out at subclause 7(a), (b) and (c). The parties further agree that to facilitate the aim of the Agreement, all parties to this Agreement shall be involved in the decision making process concerning matters relative to the aim of this Agreement. The parties further agree that the aim of this Agreement will be pursued by all parties by ensuring that improved flexible work and management practices are developed and implemented. This process will involve all parties throughout the term of this Agreement.

## 8 NEW EMPLOYEES

The parties agree that any employee who is engaged by the employer during the term of this Agreement in a Job Share and Office Cleaner positions will be covered by the Agreement. The new employee shall be entitled to all benefits and be bound by all obligations, under this Agreement.

9 **DEFINITION OF JOB SHARE**

"Job Share" means the performance of the duties and functions normally attached to a nominated full time position by a number of casual employees who share the work (both in terms of tasks to be performed, and time required to be on duty) between themselves, subject to management approval.

10 **AGREEMENT TO BE DISPLAYED**

Copies of this Agreement shall be displayed in places readily visible and accessible to all parties covered by the Agreement.

11 **CONSULTATIVE COMMITTEE**

- (a) A consultative committee consisting of two management representatives, one of whom shall be the Assistant General Manager or General Manager, and two employee representatives shall be established. This committee shall be a forum for open discussion and shall meet at set quarterly intervals with additional meetings on an as required basis for consultation and negotiation on matters affecting the efficiency and productivity of the enterprise.
- (b) It is agreed that it is desirable that a Joint Consultative Committee be established at Western Power to enable parties to all Western Power Enterprise Agreements to meet and discuss issues of common interests.

12 **BUDGET REVIEW COMMITTEE**

The parties to this Agreement agree to co-operate in the election of one employee representative from all Enterprise Agreements at Western Power to represent the Employees of Western Power on Western Power's Budget Review Committee. The first election to take place prior to December 1993 with subsequent annual elections to be held in March of each year thereafter.

13 **CONDITIONS OF JOB SHARE EMPLOYMENT**

- (a) Job Share employees may alternate their attendance at work, provided that an employee is on duty in the nominated position for the hours determined by management.  
  
The hours worked by a job share employee may vary from week to week, for example one employee may work three days per week and other two days. Where the employees cannot agree on the hours or days to be worked, management will make the final decision.
- (b) The attendance arrangement must be flexible and capable of alteration at short notice to provide for special circumstances.

- (c) In the event of one employee being ill or otherwise not able to attend for duty, the other will be required to attend, ensuring there is always an employee on duty.
- (d) The minimum attendance for any period of duty is three hours. That is, in any arrangement between employees sharing a "Job Share" position, an employee may not work less than three hours for any start.
- (e) Where it is found the employee is not flexible enough to meet the requirements of the position, the offer of job sharing will be withdrawn.
- (f) To aid communications between job sharers a diary book is to be maintained to contain a written record of relevant developments which may be required for subsequent work days.
- (g) The number of "Job Share" positions and the number of employees participating in the scheme shall be determined by Management.

**14 HOURS OF WORK - OFFICE CLEANER**

The ordinary thirty eight (38) hours of work as provided for under the Award shall be worked as mutually agreed in two periods each work day within the spread of hours from 5.00 am to 6.30 pm Monday to Friday. The periods by agreement will be 5.00 am to 9.00 am and 1.54 pm to 6.30 pm each work day. All time worked in excess of the 7.6 hours per day will be at the Award overtime rate of pay.

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**PART B - REMUNERATION**

**15 INITIAL HOURLY BASE RATES OF PAY**

**(a) Job Share Positions**

(i) Employees will be appointed as casual employees and paid the equivalent of the hourly rate of pay of the appropriate classification as provided for under the Award as at the date of this Agreement's registration, for the work performed plus a loading of 20 per cent with a minimum payment of three hours pay for each start subject to the following adjustments and rounded to the nearest ten cents. The loading prescribed in this clause includes an hourly loading for holiday pay, sick leave and the incidence of public holidays, and is in lieu of the entitlements arising under the Award.

(ii) The hourly base rates of pay recalculated in sub-clause (a) above shall be increased by a further 3% in consideration of productivity achievements up to the commencement of this Agreement.

**(b) Office Cleaner Position**

The weekly base rates of pay will be those provided by the Award as at the date of this Agreement's registration subject to the following adjustments and rounded to the nearest ten cents:

(i) The weekly base rates of pay shall be increased by a further 3% in consideration of productivity achievements up to the commencement of this Agreement.

(ii) The weekly base rates of pay recalculated in sub-clause (b)(i) above, shall be increased by a further 1.75%. This increase consists of an amount of 1.35% in lieu of annual leave loading in respect of any annual leave attributable to service from the commencement of this Agreement. The increase also consists of an amount of 0.4% in lieu of the employees' picnic day provided by the Award.

An employee may request that the amount equivalent to 1.35% of the employee's weekly base rate of pay be paid directly to a nominated electricity account.

**16 PERFORMANCE MEASURES**

(a) The parties to this Agreement recognise that profitability, competitiveness, quality of service, job security and safety are paramount objectives for Western Power and its employees.

(b) The contribution of the workforce to the achievement of these objectives will be recognised through the implementation of an incentive system which will operate by the measurement of key performance criteria each financial year.

*By Mark*

*ms*

*[Handwritten signatures]*



- (c) The key performance criteria which will be measured are listed below and defined in Schedule A:
- Customer Satisfaction - Domestic
  - Customer Satisfaction - Business
  - Employee Sick Leave
  - Lost Time Accidents
  - Overhead Serviceability Index
  - Controllable Operating Costs per Customer
  - GWh Sales per Employee
  - Reliability Index
  - Net Ancillary Income.
- (d) The Performance Measures are determined as far as practical on a risk/benefit sharing basis commensurate with the employees' ability to influence the Measure. The Measures will be calculated in accordance with Schedule A to this Agreement.
- (e) The above Measures will be reviewed as at 30 September, 31 December and 31 March each year to indicate the projected outcome for the financial year ending 30 June.
- (f) Revised projections in key performance criteria resulting from reviews under subclause (e) of this clause shall be circulated to all employees and the unions party to this Agreement not more than four weeks after the dates in subclause (e).
- (g) The Performance Measures will be calculated in accordance with Schedule A of this Agreement except where an accounting convention or similar change in presentation of financial statements occurs during the currency of the Agreement. In such cases data will be calculated on the same basis to that applying at the time of preparation of the Agreement.
- (h) If there are any further transfers of responsibility for operation and maintenance of assets from Pacific Power or any other authority or organisation the basis for including and calculating costs will be on a present value basis adjusted to a common base of system responsibility. This adjustment will also be carried out for the residual impact of previous asset transfers.
- (i) In the event of external influences including accounting practices, government legislation or economic downturn affecting or influencing the performance measure outcome to the detriment of the employees, both parties agree to review the Performance Measures with the intention of improving the methodology to achieve a fair and equitable result.

- (j) In the event of the overall sum of the Performance Measures returning a negative result in any financial year, both parties agree to review the Performance Measures with the intention of improving the methodology and the measurement of productivity gains.

17 QUANTUM OF PERFORMANCE MEASURE BASED PAY INCREASES

- (a) The quantum of any pay increase will be expressed as a percentage of the weekly base rates of pay at the time of review and will be derived from the sum of the individual Performance Measures calculated in accordance with Clause 16 and Schedule A of this Agreement.
- (b) In the event that the sum of the performance measures returns a negative result in any one financial year the result will be considered equal to zero for all purposes and clauses within this agreement.

18 PAY ADJUSTMENTS - OPERATIVE DATES

- (a) The 3% increase referred to in Clause 15(a)(ii), (b)(i) of this Agreement, shall be calculated for the period 1 July, 1993 to the date of commencement of this Agreement, on the Award hourly base rates of pay applying from 1 July 1993 to the date of commencement of this Agreement, and will be paid within four (4) weeks of the commencement of this Agreement.
- (b) Hourly base rates of pay as calculated in accordance with Clause 15(a) and the weekly base rates of pay calculated in accordance with Clause 15(b) will be adjusted with effect from the registration of the Agreement.
- (c) Adjustments in accordance with Clauses 17 and 19 will be calculated as at each 1 July. The percentage adjustment will be used to create new weekly base rates of pay to apply from the first pay period commencing on or after the respective 1 July.

19 WAGE CASES & ESCALATION

- (a) If, during the term of this Agreement, the Industrial Relations Commission hands down a National Wage Case Decision which increases rates of pay, the rates of pay calculated under this Agreement shall not be adjusted other than as provided in subclause (b) of this Clause.
- (b) In the event that an Award equivalent hourly base rate of pay exceeds the corresponding adjusted equivalent hourly base rate of pay under this Agreement, the Award equivalent hourly base rate will apply and continue until such time as the Agreement is terminated or is exceeded by any future performance measure based adjustment.

- (c) As at each 1 July the performance measure adjustment to apply for the ensuing year in accordance with Clause 18(c) will be varied such that the sum of the performance measure adjustments from 1 July 1993 up to and including the current adjustment will not be less than the sum of the Consumer Price Index Weighted Average All Capital Cities less 1% (CPI - 1%) per annum for the same period.

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PART C - LEAVE

20 ANNUAL LEAVE

- (a) The provisions of the Award as at the date of registration of this Agreement will continue to apply except that Annual Leave Loading will not be paid, Leave Loading having been incorporated into the weekly base rates of pay.
- (b) On commencement of the Agreement the monetary equivalent of accrued Annual Leave Loading at that date will be paid.

21 SICK LEAVE

Subject to Section 99A of the Industrial Relations Act 1991, the provisions of the Award as at the date of registration of this Agreement will continue to apply

22 LONG SERVICE LEAVE

The provisions of the Award as at the date of registration of this Agreement will continue to apply except that where an entitlement of Long Service Leave becomes due during the term of the Agreement, half the difference between the entitlement then due and the pro-rata balance at the commencement of the Agreement will be taken before the next entitlement becomes due provided that an employee will not be required to reduce their entitlement to less than 13 weeks. If necessary to comply with this Clause, a period of Long Service Leave of less than one week will be approved.

Employees will be notified no less than six months in advance of the date at which an amount of Long Service Leave must be taken to comply with this clause.

23 SPECIAL LEAVE

Employees will be entitled to Special Leave in the following circumstances:

- (a) **Jury Service:** An employee shall be entitled to special leave without pay to attend for Jury Service provided that the employer shall pay the employee the difference between the Jury Service attendance fee and the employee's usual rate of pay for each day.
- (b) **Funeral Service:** Employees shall, subject to the General manager's approval, be entitled to Special Leave without loss of pay to attend the funeral of a fellow employee.

*By M...*

*Ans*

*By- [Signature] & [Signature] [Signature] [Signature]*

- (c) Other Leave: Subject to no other leave entitlements being available and subject to the General Manager's approval, an employee may be granted Special Leave without loss of pay to attend to urgent family matters.

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**PART D - GENERAL**

**24 PUBLIC HOLIDAYS**

The holiday provisions of the Award will continue to apply. However the Award holiday provisions concerning the employees' picnic day shall not apply.

**25 BUSINESS DEVELOPMENT**

It is agreed that during the term of the Agreement the parties will in good faith investigate the undertaking of additional business development activities. In lieu of overtime payments development of a mechanism for payment of a commission or profit sharing may be considered as part of this Clause.

**26 UNIFORMS - JOB SHARE POSITIONS**

(a) Western Power will supply each employee (including new employees) with compulsory uniforms to the value of \$300 in the first year of the Agreement and/or the first year of employment and \$125 in each subsequent year of employment. Uniform requirements by an employee in excess of the employee's current uniform account balance will be at the employee's expense. The value of any balance not taken by the employee in any year will be credited to the employee's uniform account for use in subsequent years.

(b) All matters concerning uniforms including design, issue and wearing will be the subject of a Uniform Policy mutually agreed to by the parties.

(c) The value of the uniforms referred to in sub-clause (a) of this clause will be adjusted annually to reflect movement in the Consumer Price Index Weighted Average All Capital Cities.

**27 TRAINING**

It is agreed that the provisions of the Award will continue to apply except that relocated staff will be retrained for their duties to a standard acceptable to the Consultative Committee and will be given the highest priority in allocation of the budgeted provision for training.

**28 REDUNDANCY**

No forced redundancies will occur for any reason prior to the termination of this Agreement. If voluntary redundancies are offered the package outlined in Schedule B of this Agreement will apply or the State Government Redundancy Policy whichever is the more attractive offer.

29 SETTLEMENT OF GRIEVANCES AND DISPUTES

A grievance is defined as a dispute, difference, disagreement, problem or complaint between the parties on matters related to wages, hours, discrimination, safety and defined conditions of employment, or any local understanding, agreement, work practice or matters relating to this Agreement.

A grievance, as defined, shall be dealt with as follows:

- (a) The employee shall take the matter to his/her immediate supervisor who shall investigate the problem and after consultation with the Branch Manager or Director, make a decision and convey it to the employee concerned within five (5) working days.
- (b) If, as a result of (a), the matter is still unresolved, the employee shall notify the employee's immediate supervisor to that effect. At this stage, the grievance must be committed to writing within five (5) working days. This requirement may be dispensed with where a joint statement is made and signed by both the grievant and the employee's immediate supervisor.
- (c) On receipt of the written grievance, a conference with the General Manager or if absent the Assistant General Manager, to discuss the matter shall be arranged within ten (10) working days. At such conference, a written report must be furnished to all parties by the immediate supervisor in (a) together with the written grievance. The employee may be self represented and/or represented by shop steward(s) and/or Union official(s).
- (d) If the matter is still unresolved the Employer must notify a mutually agreed arbitrator within ten (10) working days and furnish a written report on proceedings to that stage together with copies of the written grievance and supervisor's report for determination.
- (e) A party to this Agreement, may after the conclusion of part (c) of this clause, or where the grievance procedure has been complied with where reasonably practicable, refer any grievance as defined in this clause, to the New South Wales Industrial Relations Commission for conciliation and failing resolution by conciliation, for arbitration.
- (f) The status quo that existed prior to the circumstances that brought about the dispute, shall be maintained by all concerned and without prejudice to any party until such time as the grievance is resolved or determined by arbitration.
- (g) The parties to this Agreement agree to abide by any arbitrated decision.

*By Meel*

*me*

*Ryan*  
*Hedge*  
*Callan*  
*Gibney*

30 **NO EXTRA CLAIMS**

No extra claims for wage, salary or allowance increases will be made during the term of this Agreement nor will any variations be sought by Western Power except where a significant change to work value occurs or new technology is introduced at which time all parties reserve the right to negotiate in good faith an amendment to this Agreement.

31 **TERMINATION OF AGREEMENT**

In the event that either party applies for and is granted termination of this Agreement prior to a new Agreement being registered with the New South Wales Industrial Relations Commission, a pro-rata lump sum performance payment will be made prior to termination of this Agreement equal to the additional salary in excess of the Award rates which would have been paid had the Agreement continued for a further twelve months from the termination date, excepting that Clause 19(c) will not apply in respect of the CPI. The parties to this Agreement agree to waive this right in exchange for the prevailing rates of pay and any performance adjustments, pro-rata or due, being the commencing rates of pay for the new Agreement with all conditions of employment continuing in the new Agreement unless mutually agreed otherwise.

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**PART E - DECLARATION AND SIGNATORIES**

**32 DECLARATION**

This Enterprise Agreement has been negotiated through extensive consultation between management and employees. The content of the Agreement has been canvassed with all parties. All parties are entering into this Agreement with full knowledge as to the content and effect of the document.

The parties declare that this Agreement:

- (a) Reflects the interests and desires of the parties; and
- (b) Was at no stage entered into under duress.

**33 SIGNATORIES**

This Agreement is made at Dubbo on this the 6th day of December 1993

Signed for and on Behalf of  
Western Power

P. Kelly

In the presence of:

F. Mills

Signed for and on Behalf of:

Jan O'Connell

In the presence of:

J. W. Brearley

Signed for and on Behalf of:

Alma Harris

In the presence of:

J. W. Brearley

Signed for and on Behalf of:

Bridge

In the presence of:

J.M. Brennan

Signed for and on Behalf of:

Annabelle Dwyer

In the presence of:

J.M. Brennan

Signed for and on Behalf of:

B.G. Meek

In the presence of:

J.M. Brennan

Signed for and on Behalf of:

Margaret Sheridan

In the presence of:

J.M. Brennan

Signed for and on Behalf of:

Kerrie Pilon

In the presence of:

J.M. Brennan

Signed for and on Behalf of:

Flews

In the presence of:

J.M. Brennan

Signed for and on Behalf of:

Kerry Ryan

In the presence of:

J.M. Brennan

Benefits for Western Power

The employees will be motivated to provide prompt, courteous and sound customer service. Another benefit is an improvement in the image of Western Power.

Basis for Costing

Western Power recognises an advantage to the community of being highly ranked relative to other distribution authorities in the State.

Variation Factor

The variation factor will be:

- +0.2% salary variation for ranking in the top 4
- -0.2% salary variation for ranking in the bottom 4, and
- pro-rata salary variation for any ranking in between

**4.2 Customer Satisfaction - Business**

Measure Definition

This indicator is the measure of Western Power's ranking in an independent survey of all New South Wales Electricity Distribution Authorities commercial and industrial customers.

Measure Aim

The aim of the measure is to focus the attention of staff towards providing prompt, courteous and sound customer service. It also works as a moderator to ensure that staff do not let customer service standards slide while trying to reduce operating costs.

Benefits for Western Power

The employees will be motivated to provide prompt, courteous and sound customer service. Another benefit is an improvement in the image of Western Power.

Basis for Costing

Western Power recognises an advantage to the community of being highly ranked relative to other distribution authorities in the State.

Variation Factor

A variation of 1 hour per employee per year will result in a salary variation of 0.05%.

4.4 Lost Time Accidents

Measure Definition

This indicator is the lost time (hours) per employee per year due to accidents calculated on a 3 year rolling average excluding non-injury accidents. Lost Time shall not include any time spent by an injured employee undertaking work at Western Power under a rehabilitation programme.

Measure Aim

To focus the attention of staff on the cost of workplace accidents with the intention being to reduce the total lost time.

Benefits to Western Power

By minimising this type of lost time employees are available to carry out the work at hand which otherwise would not be completed. There is a saving resulting from minimising the disruptions to crew manning levels. The most significant advantage however is the potential to reduce workers compensation insurance and accident investigation costs.

Basis for Costing

It has been calculated such that any variation in lost time impacts on the total staff salary by an amount equal to the total work hour variation multiplied by the average hourly rate.

Variation Formula

$$VF = \left[ \frac{(LTA_1 - LTA_2) \times ASN \times AHR}{SB_1} \right] \times \frac{100}{1}$$

Where:

		<u>Units</u>	
VF	=	Salary Variation Factor	%
LTA <sub>1</sub>	=	Lost time accidents per employee for the previous year	hrs
LTA <sub>2</sub>	=	Lost time accidents per employee for the year under review	hrs
ASN	=	Average Staff Numbers for the year under review	
AHR	=	Average Employee Hourly Rate for the previous year in accordance with Appendix A of this Schedule	\$
SB <sub>1</sub>	=	Staff Budget for previous year calculated in accordance with Appendix A of this Schedule	\$

Variation Factor

A variation of 1 hour per employee per year will result in a salary variation of .05%.

4.5 Overhead Serviceability Index

Measure Definition

This index measures the number of outstanding system defects as defined in Appendix D of this Schedule and the time taken to rectify them.

Measure Aim

To ensure that whilst employees are striving to reduce the operating cost per customer that the serviceability of the network is maintained.

Benefits to Western Power

Fault and Emergency costs are approximately \$1,000,000 per annum. By improving the serviceability of the system the Fault and Emergency costs will be reduced.

Customer satisfaction will also be improved as forced outages will be minimised. The reduction in forced outages will have a community economic benefit as unsupplied kWh's will be reduced.

Basis for Costing

It is difficult to accurately assess the benefits to Western Power in monetary terms. It is assumed that a 1% variation in the index will result in a 5% variation in Fault and Emergency costs. The benefit/risk share is then calculated as 33⅓% of the estimated variation in the Fault and Emergency Costs.

Variation Formula

$$VF = \frac{\left[ \frac{(OSI_2 - OSI_1) \times 5}{100} \times FEC \times \frac{1}{3} \right]}{SB_1} \times \frac{100}{1}$$

Where:

		<u>Units</u>
VF	=	Variation Factor
OSI <sub>1</sub>	=	Overhead Serviceability Index for the previous year
OSI <sub>2</sub>	=	Overhead Serviceability Index for the year under review
FEC	=	Fault and Emergency Costs from previous year
SB <sub>1</sub>	=	Staff Budget for previous year calculated in accordance with Appendix A of this Schedule
		%
		%
		%
		\$
		\$

Variation Factor

A 1% variation in the measure will result in a salary variation of 0.26%.

**4.6 Controllable Operating Costs per Customer**

Measure Definition

This indicator measures the controllable operating cost per customer excluding;

- Interest
- Depreciation
- Tariff Incentives
- Promotional Rebates
- Public Liability Insurance Premiums
- Research and Development

Appendix D shows the measures definition in detail and Appendix B normalises the operating costs indexed to a common base to enable relativity in comparing variations in performance.

Measure Aim

The aim of the indicator is to measure reductions in the relative operating cost per customer.

Benefits to Western Power

The employees will become more focused on improving efficiency and reducing expenditure with the result being a reduction in relative operating costs and hence a containment of tariffs.

Basis for Costing

The employees share will be 33⅓% of the variation in controllable operating costs per customer multiplied by the average number of customers in the second year divided by the total normal time staff budget of the previous financial year to determine a percentage variation factor.

Variation Formula

$$VF = \frac{(BOCCE - COCCE) \times \left[ \frac{(C_1 + C_2)}{2} \right] \times \frac{1}{3} \times \frac{100}{1}}{SB_1}$$

Where:

VF = Variation Factor

Units

%

**Western Power - Head Office Miscellaneous Employees (State) Enterprise Agreement**  
**SCHEDULE A**

BOCCE	=	Base Operating Cost per Customer excluding Interest, Depreciation, Tariff Incentives, Promotional Rebates, Public Liability Insurance and Research and Development for the previous year in accordance with Appendix B of this Schedule	\$
COCCE	=	Controllable Operating Cost per Customer excluding Interest, Depreciation, Tariff Incentives, Promotional Rebates, Public Liability Insurance and Research and Development for the year under review	\$
C <sub>1</sub>	=	Total number of customers at the beginning of the year under review	
C <sub>2</sub>	=	Total number of customers at the end of the year under review	
SB <sub>1</sub>	=	Staff Budget for previous year calculated in accordance with Appendix A of this Schedule	\$

**Variation Factor**

A variation of \$5.00 between the Base Operating Costs per Customer (BOCCE) of the previous year and the Controllable Operating Costs per Customer (COCCE) for the year under review will result in a 0.9% variation in salary.

**4.7 GWh Sales per Employee**

**Measure Definition**

This indicator measures the GWh sales per year per employee. A three year rolling average is used to even out climatic variations in heating, cooling and irrigation sales.

**Measure Aim**

The aim of the indicator is to promote sales growth which will improve operating efficiency and utilisation of assets.

**Basis for Costing**

The employees will receive a 10% share of the gross margin on increased sales, based on a three year rolling result.

**Variation Formula**

$$VF = \frac{\left[ (GWh_2 - GWh_1) \times ASN \times \$GWh_s \times \frac{1}{10} \right]}{SB_1} \times \frac{100}{1}$$

Where:		<u>Units</u>
VF	= Variation Factor	%
GWh <sub>1</sub>	= An average of GWh sales per employee (ASN) for the previous year and each of the two years prior to it	GWh
GWh <sub>2</sub>	= An average of GWh sales per employee (ASN) for the year under review and each of the two years prior to it.	GWh

SB<sub>1</sub> = Staff Budget for previous year calculated in accordance with Appendix A of this Schedule \$  
ASN = Average Staff Numbers for the year under review  
and  
\$GWh<sub>s</sub> = Average gross margin in \$/GWh =  $\frac{\$Sales - \$Purchases}{GWh\ Sold}$

Variation Factor

A variation of 0.01 GWh in GWh sales per employee will result in a salary variation of 0.13%.

4.8 Reliability Index

Measure Definition

The indicator measures the minutes outage per customer per year as defined in Appendix D of this Schedule calculated on a three year rolling average excluding major storms.

Measure Aim

To provide incentive to reduce the outage time per customer per year.

Benefits to Western Power

The staff whilst striving for a reduction in operating costs will need to keep the network adequately maintained in order to reduce customer outage time, hence a balancing effect. Co-ordination of work will be encouraged to enable multiple jobs to be carried out on single outages.

The community will receive an economic benefit due to a reduction in outage time.

Basis for Costing

It is assumed that the Fault and Emergency costs will be reduced by a relative amount to the reduction in outage times. In lieu of no accurate data being available the present outage time per customer per year is provisionally assumed to be 350 minutes and Fault and Emergency costs of \$956,000 as per the 1993/94 budget.

A reduction of 10 minutes per customer per year results in savings of

$$\frac{10}{350} \times \$956,000 = \$27,314$$



Gross margin on unsupplied kWh's for 10 minutes would be

$$\left[ \frac{10}{60} \times 113MW \times .65LF \right] \times 2.87\text{\$/unit} - \$351$$

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Total Savings:	Gross Margin	\$ 351
	Fault & Emergency	\$27,314
		\$27,665

The benefit/risk share is calculated as 33⅓% of the estimated variation in Fault and Emergency costs plus 33⅓% of the variation in Gross Margin.

Variation Formula

$$VF = \frac{1}{3} \times \left[ \frac{(MOCY_1 - MOCY_2) \times FEC + GM}{MOCY_1} \right] \times \frac{100}{SB_1}$$

Where:	<u>Units</u>
VF = Variation Factor	%
MOCY <sub>1</sub> = Minutes Outage per Customer per year for the previous year	Minutes
MOCY <sub>2</sub> = Minutes Outage per Customer per year for the year under review	Minutes
FEC = Fault and Emergency Costs from previous year	\$
GM = Variation in Gross Margin attributable to reliability	\$
SB <sub>1</sub> = Staff Budget for previous year calculated in accordance with Appendix A of this Schedule	\$

Variation Factor

A 10 minute variation in the three year rolling average outage time per customer will result in a 0.15% salary variation.

**4.9 Net Ancillary Income**

Measure Definition

Net Ancillary Income includes

- Appliance Sales
- Customer Servicing
- Recoverable Works
- Sale of written off non book asset items

Net Ancillary income excludes

- Interest
- Depreciation

#### Measure Aim

To encourage staff to "Grow the Business" to increase the revenue base of Western Power while minimising tariffs.

#### Benefits to Western Power

It is believed that the share of profit will motivate staff towards Business Development which would not have otherwise occurred resulting in development of profit making activities and transfer of costs from core to ancillary activities.

#### Basis of Costing

33⅓% of the variation in net ancillary income from the previous year to the year under review to be paid by way of a salary increase. The measure cannot return a negative result, the minimum result being zero.

#### Variation Formula

$$VF = \frac{(NAI_2 - NAI_1) \times \frac{1}{3}}{SB_1} \times \frac{100}{1}$$

Where:

		<u>Units</u>	
VF	=	Variation Factor	%
NAI <sub>1</sub>	=	Net Ancillary Income for the previous year	\$
NAI <sub>2</sub>	=	Net Ancillary Income for the year under review	\$
SB <sub>1</sub>	=	Staff Budget for previous year calculated in accordance with Appendix A of this Schedule	\$

#### Variation Factor

A \$20,000 variation in the measure will result in a salary variation of 0.11%.

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Adjustments Required

<u>Item</u>	<u>Base 1992/93 Year</u> <u>(\$93/94)</u>
Net Ancillary Income	55,000
½ work year adjustment <sup>(1)</sup>	<u>(24,000)</u>
Base 1992/93 Year	\$31,000

Notes: (1) ½ work year adjustment required due to transfer of marketing wages to ancillary activities.

- 92/93 Budget	½ work year
- 93/94 Budget	1 work year

**5 Summary of Actual Variation Factors**

Measure	Units	Salary Variation Factor
1 Customer Satisfaction - Domestic	Ranking	<ul style="list-style-type: none"> <li>• +0.2% for ranking in top 4</li> <li>• - 0.2% for ranking in bottom 4</li> <li>• pro-rata for any ranking in between</li> </ul>
2 Customer Satisfaction - Business	Ranking	<ul style="list-style-type: none"> <li>• +0.2% for ranking in top 4</li> <li>• - 0.2% for ranking in bottom 4</li> <li>• pro-rata for any ranking in between</li> </ul>
3 Sick Leave	Hours	± 0.05% per hour variation
4 Lost Time Accidents	Hours	± 0.05% per hour variation
5 Overhead Serviceability Index	%	± 0.26% per 1% variation in index
6 Controllable Operating Costs per Customer	\$	± 0.9% per \$5 variation
7 GWh Sales per Employee	GWh	± 0.13% per 0.01 GWh/Employee variation
8 Reliability	Minutes	± 0.15% per 10 minutes variation
9 Net Ancillary Income	\$	0.11% per \$20,000 variation

**APPENDIX A - STAFF BUDGET**

The Staff Budget (SB<sub>1</sub>) used in the variation formulas of Schedule A is to be calculated as detailed below. The Staff Budget for the year 1992/93 is as shown below:

Total Ordinary Time (TOT)	6,399,336	
Less employees on contract (LEOC)	<u>265,000</u>	GM, AGM, DOE, DF
Staff Budget (SB <sub>1</sub> )	\$6,134,336	
Average Staff Numbers (ASN)	= 235.2	employee equivalents

$$\text{Average Wage} = \frac{6,134,336}{235.2} = \$26,081 \text{ pa}$$

Average Hourly Rate (AHR)

$$\text{AHR} = \frac{6,134,336}{460,490} = \$13.32/\text{hour}$$

The Staff Budget for future years of the Agreement is to be calculated on the same basis to that shown for 1992/93 above.

Where:

- TOT Total single time salary excluding allowances for the previous year
- LEOC The total salary and allowances paid to the four most senior staff GM, AGM, DOE, DF
- SB<sub>1</sub> Total Staff Budget for calculation of salary variation factors in this Schedule.
- ASN Average Staff Numbers for the year under review.
- AHR Average Employee Hourly Rate for use in the determination of salary variation factors for the year under review.

**APPENDIX B - BASE OPERATING COSTS PER CUSTOMER**

The base operating costs for 1992/93 have been adjusted to a common base of system responsibility and accounting practice in accordance with the table detailed below. The table will require updating in accordance with Clause 16 of the Agreement to establish a new base operating cost per customer for each subsequent year of the Agreement.

The following table is shown in 1993/94 dollars.

Item Description	\$,000
Actual Operating Costs <sup>(1)</sup>	14,236
Subtransmission (66 kV) Adjustment <sup>(2)</sup>	220
Transmission (132 kV) Adjustment <sup>(3)</sup>	103
Marketing ½ work year Adjustment <sup>(4)</sup>	(20)
Tariff Incentive Cost <sup>(6)</sup>	(22)
Promotional Rebate <sup>(7)</sup>	(122)
Public Liability Insurance Premiums <sup>(8)</sup>	(358)
Research and Development <sup>(9)</sup>	(20)
<b>BASE OPERATING COSTS</b>	<b>14,017</b>
Average Customers <sup>(5)</sup>	31,862
<b>BASE OPERATING COSTS PER CUSTOMER 1992/93 (BOCCE)</b>	<b>\$439.93</b>

**Notes:**

- (1) Actual operating costs excluding depreciation and interest for the 1992/93 year (TOE) in accordance with Appendix D of this Schedule.
- (2) Adjustment for the additional 66 kV subtransmission system responsibility as detailed in the report to Council accompanying the 1993/94 Budget.
- (3) Adjustment for the additional 132 kV transmission system responsibility west of Nyngan.
- (4) The 1992/93 Budget had a ½ work year transferred to ancillary services with the 1993/94 Budget being 1 work year.
- (5) Average number of customers for the 1992/93 year calculated in accordance with Appendix D of this Schedule.
- (6) 1992/93 Actual - Tariff Incentive Cost.

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- (7) 1992/93 Actual - Promotional Rebate Cost.
- (8) 1992/93 Actual - Public Liability Insurance Premium Cost.
- (9) 1992/93 Actual - Research and Development Cost.

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APPENDIX C - SAMPLE RESULT 1993/94

The table below details a sample result for the 1993/94 year. The salary variation/\$per week column is based on a weekly base wage of \$517.94.

Measure No	Description	Units	Base Year 1992/93	Sample Result 1993/94	Difference from Base Year	Salary Variation	
						Variation Factor %	Salary Variation \$/week
1	Customer Satisfaction - Domestic	Rank	4	6	- 2	+0.156	+ 0.81
2	Customer Satisfaction - Business	Rank	6	8	- 2	+ 0.111	+ 0.57
3	Sick Leave	hr	48	52	+ 4	- 0.2	- 1.04
4	Lost Time Accidents	hr	6	7	+ 1.0	- 0.05	- 0.26
5	Overhead Serviceability	%	98.2	98.4	+ 0.2	+ 0.052	+ 0.27
6	Operating Costs per customer	\$	439.93	434.93	- 5.00	+ 0.9	+ 4.66
7	GWh Sales per Employee	GWh	2.316	2.356	0.04	+ 0.52	+ 2.69
8	(1) Reliability Index	Min					
9	Net Ancillary Income	\$	\$31,000	\$41,000	+ \$10,000	+ 0.055	+ 0.28
	TOTALS					+ 1.544	+ 7.98

(1) Reliability Index not included for the first two years of Agreement.

## APPENDIX D - DEFINITIONS

### DEFINITIONS

#### Operating Costs (excluding Depreciation and Interest)

Definition:

$$COCCE = \frac{TOE - D - I - TI - PR - PLIP - RD}{0.5 X (C_1 + C_2)}$$

Where:

COCCE	Operating Cost per Customer excluding Depreciation and Interest
TOE	Total Operating Expenditure as stated in the Income and Expenditure Statement in accordance with the Code of Accounting Practice (refer pp 2000 - 2001)
D	Depreciation as per the line item in the Income and Expenditure Statement as per the Code of Accounting Practice (refer pp 2000 -2001)
I	Interest Expenses as per the line item in the Income and Expenditure Statement as per the Code of Accounting Practice (refer pp 2000 - 2001)
TI	Tariff Incentives as per the line item in the Income and Expenditure Statement.
PR	Promotional Rebates as per the line item in the Income and Expenditure Statement.
PLIP	Public Liability Insurance Premium as per the line item in the Income and Expenditure Statement.
RD	Research and Development as per the line item in the Income and Expenditure Statement.
C <sub>1</sub>	Total number of Customers at the beginning of the period under review (using "Customers" as defined in the Explanatory Notes)
C <sub>2</sub>	Total number of Customers at the end of the period under review (using "Customers" as defined in the Explanatory Notes)

Units Dollars per customer per annum

#### Overhead Serviceability Index

Definition: The Weighted Overhead System Serviceability Index (OS<sub>SIW</sub>) is a calculated Measure based on the following formula:



$$OS_{SIW} = \frac{P_s - \left[ OS_{NB} + \left( \frac{OS_T}{OS_I} - 1 \right) \times OS_D \right]}{P_s} \times \frac{100}{1}$$

The result is to be a moving annual average based on 4 x quarterly rolling averages.

Where:

$OS_{SIW}$  Overhead System Serviceability (Performance) Index - (weighted to take into account inspection rates different to target Inspection Rates)

$P_s$  Poles (Total) in Service (Count) at end of period

$OS_{NB}$  Balance sum of Overhead System defects at end of period (New Balance) (see notes below)

$$S_{NB} + T_{NB} + L_{NB}$$

$OS_T$  Sum of Target Number of Supports, Trees and Lines (by pole) to be inspected in period.

$$S_{NB} + T_T + L_T$$

$OS_I$  Sum of the Actual No of Supports, Trees and Lines (by pole) inspected in period.

$$S_I + T_I + L_I$$

$OS_D$  Sum of Support, Tree clearance and Line (and Equipment) risk defects generated in period. (see notes below).

$$S_D + T_D + L_D$$

Units Percentage

### Reliability Index

Definition:  $RI = \frac{G \times 60}{H}$

Where:

RI Reliability Index

G Total number of customer hours interrupted over the 12 month period including planned and unplanned outages of the Distributor's system, excluding all outages due to ECNSW.

H Total number of customers on an annual basis (Refer to Notes 1 and 2 below)

Units Minutes per customer per annum.

Notes: (1) Total number of customers on an annual basis to be calculated as follows:

Total at end of year = X

Total at beginning of year = Y

Therefore, total number of customers on an annual basis =  $\frac{X + Y}{2}$

**SCHEDULE B**

**REDUNDANCY**

- 1 The General Manager is authorised to offer the package detailed in this schedule to staff made redundant through either technological innovation, reduction in workload or ongoing workplace dysfunction and where discipline action is not required. The same package is available for staff made redundant through re-organisation such being subject to Board approval.
- 2 A Payment of lump sums on termination of service for redundancy shall consist of:
- (i) Two weeks pay for each whole year of service with Board up to a maximum of thirteen years;
  - (ii) Four weeks pay in lieu of notice;
  - (iii) Payment of accrued annual, long service and sick leave.
- B Redundancy shall only apply to employees nominated via Board resolution or by the General manager in accordance with the guidelines noted in (1) above.
- C An employee's written acceptance is required to any redundancy offer prior to any payment in accordance with Clause 2(A).

3 **Voluntary Redundancy**

Those employees who accept an offer of voluntary redundancy within two weeks of the offer being made and terminate employment within the time nominated by the employer will be entitled to the following additional payments:

- Less than 1 year's service 2 weeks pay
- 1 year and less than 2 year's service 4 weeks pay
- 2 years and less than 3 year's service 6 weeks pay
- 3 year's service and over 8 weeks pay

Employees who accept voluntary redundancy are also entitled to the same payments that apply as set out in (2) above.

**Eligibility for Voluntary Redundancy**

All employees other than:

- Employees engaged on a short term and/or casual basis or for a specific period.

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- Temporary employees with less than 12 months service.
- Apprentices whose services would normally be terminated at the conclusion of their apprenticeship or within a short period thereafter.
- Employees on workers' compensation whose claim is based on compensation for termination or others awaiting determination of claims against the employer for termination of services.
- Employees subject to termination on the grounds of misconduct or unsatisfactory service.

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