



COMMUNITY AND PUBLIC
SECTOR UNION

SPSF GROUP NSW BRANCH
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In Reply Please Quote BS:rr:CN82953

30 November 2017

Mr David Harris
CEO
Water NSW
7 Commercial Avenue
DUBBO NSW 2830

By email: david.harris@waternsw.com.au

Dear Mr Harris,

Re: Members response to proposed enterprise agreement

Water NSW has deemed fit to feel that the negotiations for the proposed Enterprise Agreement has come to an end. The *Community and Public Sector Union (CPSU NSW)* does not accept that this is genuinely the case.

However, with a clear proposal from the employer, CPSU NSW has balloted our members to seek their endorsement or rejection of the proposal by Water NSW. **Our members have overwhelmingly voted to reject the proposed enterprise agreement with 87% against the offer.** There are a range of reasons for why our members have rejected the proposed enterprise agreement and CPSU NSW seeks to detail these below

Key concerns that members have raised in response to Water NSW's offer include:

- Increased weekly hours from 35 to 36 without any compensation
- The 'bonus scheme' not contributing to base salary and superannuation
- The 'bonus scheme' being uncertain and discretionary
- Base pay rises, not including any progression, being subject to performance
- Progression through the proposed 'zones' based on performance and the salary rates being unclear
- Unequal pay rises across the membership
- The classification system not recognising key professional roles
- The loss of redundancy provisions contained wholly within the enterprise agreement

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The CPSU NSW is the Federal Counterpart of the Public Service Association of NSW. CPSU NSW members are also members of the PSA.

- The reduction in the retention period from 12 months to 3 months
- The loss of an entitlement to a scheduled Rostered Day Off
- Flexible working arrangements subject to greater management discretion with **all accrual and taking of flex leave subject to application and approval**

CPSU NSW does accept that there have been some improvements to the conditions of employment for our members. These improvements include:

- An increase in paid sick leave from 15 days to 20 days (on par with current Sydney Catchment Authority provisions)
- Maternity leave being reclassified as primary carer leave and the introduction of surrogacy leave on similar terms to adoption leave
- additional paid defence force reserves leave, funded at the rate of the Commonwealth's Employer Support Payment Scheme

The benefits provided by Water NSW clearly do not out-weigh the negative impacts of the proposed Enterprise Agreement. While some members will benefit financially with the translation to the proposed pay and classification structure, the changes will significantly be detrimental to hundreds of employees.

Job security is an important feature for our members, and the loss of clearly protected redundancy provisions with 12 months' retention is a key aspect for many of our members, particular those who live in regional areas of NSW.

Some of the conditions that Water NSW has reluctantly, and at the last minute, agreed to are potentially meaningless in how they can be implemented without the further protections that CPSU NSW requested.

Higher duties allowance

Water NSW sought to remove this condition from the enterprise agreement in its entirety. Currently, Water NSW has implemented a 'policy position' where Higher Duties will generally not be provided. During negotiations Water NSW indicated that this 'policy position' will likely continue for the most part. In addition to this, the proposed enterprise agreement allows Water NSW to provide 'higher duties' through temporary appointments rather than an allowance. It also enables Water NSW to allocate a supervisor's duties to their employee(s) without any allowance or additional compensation.

Consequently, the higher duties allowance clause is largely redundant.

Long Service Leave

The major concerns members reported were around the attempt by Water NSW to direct employees to take their Long Service Leave after accruing 3 months. This has finally been withdrawn. However other key concerns raised by members have not been addressed.

Members have raised concerns that they have had their long service leave applications rejected or reduced to shorter periods of time. Many of our members have a long employment history with Water NSW and/or the public service. A key benefit of long

service leave is the ability to take an extended period of paid leave during key parts of an employee's career.

A key claim by CPSU NSW was for an employee to have an absolute right to take 2 or more months of long service leave, for however long they nominate, if they provide Water NSW with at least 6 months' notice. This is more than enough time for Water NSW to find replacement staff, and make suitable arrangements for the period of leave the employee nominates.

This claim was rejected by Water NSW. The ability for our members to take their long service leave in the way they wish, after many years of loyal service, should be a clear entitlement that would not disadvantage the employer.

CPSU NSW claims that pay and classification structure is fundamentally flawed and works against the principles of fairness and transparency. The pay and classification structure operates behind the scenes with no union involvement in the assessment and grading of our members' positions. This is currently an entitlement for many of our members under their state copied instruments.

Lack of transparency

Every employee's salaries will be different and unclear, even when they are doing the exact same job. Rather than having salaries rates set out within a Grade and at distinct Steps, the proposed system provides for an individual salary rate within a range. With every employee's salaries determined in an individual basis, and not as set out in their award or agreement, this is far from transparent.

The performance based progression and performance based entitlement to any base pay rise also lacks transparency. Employees will not know exactly how much they can earn through progression. Nor will employees know if they will receive increases to their base salary, to keep above changes to CPI. **Every employee may have their salary reduced in real terms as a result of basic pay rises being withheld, assessed against their performance, or alleged performance.**

Lack of fairness

There are many distinct professions working within Water NSW. The classifications and salary rates provided by the various state Awards, Agreements and Determinations provides comparable remuneration for comparable work across the NSW government sector. Water NSW is seeking to have these provisions abolished and replaced with a system that CPSU NSW does not believe truly recognises our members' contributions. Many of our members have positions that have a significant and wide spread impact on the people of New South Wales with some highly technical skills and experience required.

CPSU NSW asserts that the classification system adopted by Water NSW does not recognise nor reward these forms of significant and wide spread implications of our members' work. The system **appears to reward the impact and responsibilities that employees have inside the organisation** and **doesn't appear to reward the impact and responsibilities they have on *the broader community*.**

Water NSW claims that the classification model benchmarks employees against the 50th percentile when compared to the general labour market. This does not recognise nor reward similar positions that exists across the public sector. Under Water NSW's proposal **many any of our members are facing a reduction in salary in real terms, and a reduction in salary when compared to the same or substantially similar positions in the public service.**

In contrast the NSW Government Public Sector Senior Executive (PSSE) is benchmarked against the 25th percentile of the general labour market. During negotiations it was reported to CPSU NSW representatives that Water NSW senior managers are benchmarked against the 50th percentile rather than the 25th percentile like the rest of the public service.¹

CPSU NSW does not accept that it is fair and equitable to reduce the salaries of employees in comparable positions when compared to the public service, while at the same time increasing the salaries of their senior managers above the comparable rates of their counterparts.

The classification review undertaken by Water NSW has also demonstrated significant discrepancies. The Points to Grade for employees on the Administrative and Clerical Officers Award (Clerk Grades General Scale to Clerk 11/12) is below, with pay rates for 2013-2014.²

NSW Classification and Remuneration Frameworks

Remuneration data effective 19 June 2014

Administrative and Clerical Officers Award

Industrial Instrument	Grade	Mercer CED Points			Rem Range		
		Min	Mid	Max	Min	Mid	Max
Crown Employees (Administrative and Clerical Officers - Salaries) Award	Clerk GS	0	59.5	119	\$29,982	\$45,588	\$61,195
	Grade 1-2	120	144.5	169	\$61,917	\$64,615	\$67,312
	Grade 3-4	170	202	234	\$69,219	\$72,506	\$75,793
	Grade 5-6	235	277	319	\$81,711	\$85,934	\$90,158
	Grade 7-8	320	367	414	\$92,859	\$97,823	\$102,788
	Grade 9-10	415	469.5	524	\$105,852	\$111,248	\$116,645
	Grade 11-12	525	597	669	\$122,429	\$132,009	\$141,589

¹ See *Review of NSW Public Service Remuneration*, Mercer Consulting (Australia) Pty Ltd, 15 April 2015, page 59 <http://www.psc.nsw.gov.au/reports---data/other-publications/review-of-nsw-public-service-remuneration/review-of-nsw-public-service-remuneration>

² See *Review of NSW Public Service Remuneration*, Mercer Consulting (Australia) Pty Ltd, 15 April 2015, page 127

Many CPSU NSW members reported that their positions were allocated Mercer CED Points **well below their current Clerk Grade according to this table**. The effect of this is **the downgrading of hundreds of employees positions** prior to the development of the pay and classification model proposed by Water NSW. **This cannot be fair or equitable when our member's positions at the same or comparable grading are re-evaluated with significant differences and reductions.**

For all of these reasons and based on CPSU NSW members employed at Water NSW collectively and overwhelmingly rejecting the proposed enterprise agreement, **the CPSU NSW on behalf of our members must reject the offer by Water NSW**. The Union shall support our members accordingly.

Yours sincerely,



Blake Stephens
FOR STEWART LITTLE
STATE BRANCH SECRETARY

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