

ESSSuper Enterprise Agreement 2020-23

Heads of Agreement

Preamble

In-principle agreement has been reached for a proposed new enterprise agreement covering the non-executive employees of ESSSuper in the terms set out in this document.

Duration

The proposed enterprise agreement will have a nominal expiry date of 30 June 2023.

Wage Increases

- All employees classified and paid **at Levels 1 to 4** will receive salary increases for each year of the Agreement as per the table below:

Date of effect	Percentage increase
15 June 2020	3.00%
18 December 2020 or date of in-principle agreement, whichever is the later	2.75%
14 June 2021	2.75%
13 June 2022	2.50%

- All employees classified and paid **above Levels 4** will receive salary increases for each year of the Agreement as per the table below:

Date of effect	Percentage increase
15 June 2020	2.00%
18 December 2020 or date of in-principle agreement, whichever is the later	2.00%
14 June 2021	2.00%
13 June 2022	2.00%

- Any payment owed to eligible employees from 15 June 2020, will be made as soon as reasonably practicable after the Agreement has been formally approved by the Fair Work Commission and has commenced operation in accordance with the *Fair Work Act 2009*.

Patience in bargaining payment

- Employees (excluding casual employees) classified and paid **at Levels 1 to 4** will receive a once off lump sum payment based on the commencement date of their employment with ESSSuper as per the table below:

Employment commencement date range	Payment amount
Prior to 1 July 2019 – September 2019	\$3,000

Employment commencement date range	Payment amount
October 2019 – December 2019	\$2,250
January 2020 – March 2020	\$1,500
April 2020 – June 2020	\$750

- Employees (excluding casual employees) classified and paid **above Levels 4** will receive a once off lump sum payment based on the commencement date of their employment with ESSSuper as per the table below:

Employment commencement date range	Payment amount
Prior to 1 July 2019 – September 2019	\$2,150
October 2019 – December 2019	\$1,800
January 2020 – March 2020	\$1,350
April 2020 – June 2020	\$900

- In both cases the patience in bargaining payment will be made to eligible employees as soon as reasonably practicably after the proposed agreement's has been formally approved by the Fair Work Commission and has commenced operation in accordance with the *Fair Work Act 2009*.

Allowances

Monetary based allowances (including first aid, OHS representatives, Fire Warden, Language and On-Call Allowances) will be increased by the same percentage and from the same effective dates as described in the table in the Wage Increase section above.

Business Continuity Payment and Performance Bonus Scheme

- In recognition of the extraordinary demands arising from implementing ESSSuper's transformation program, all eligible Employees (excluding casual employees) will be paid once off lump sum payments as described in the table below:

All employees employed as at	Date of payment	Business Continuity Payment Amount
1 March 2020	As soon as reasonably practicable after the commencement of agreement	\$1,500
30 September 2020	17 June 2021	\$3,000

- Where an employee is made redundant or required to transfer to the third-party provider the Employee will be paid the payments qualified for but not paid at the time of separation.
- The Business Continuity Payments are paid in recognition of the Employee's broad efforts in implementing the ESSSuper's transformation program and will be paid to all eligible employees regardless of their performance rating (excluding those rated as unsatisfactory) in lieu of any Performance Bonus Scheme payments for the 2020/21 and 2021/22 performance cycles.
- The Performance Bonus Scheme will remain a provision in the proposed enterprise agreement (in its current format) for the 2022/23 performance cycle save for the removal of clause 21.2, clause 21.3 and clause 21.4

of the current Agreement (all of which pertain to a review of the Performance Bonus Scheme undertaken during the life of the current 2016-2019 agreement).

- For the avoidance of doubt, employees will still be expected to prepare performance plans and to participate in performance reviews in each performance cycle during the agreement, but the performance bonus outcomes for the 2020/21 and 2021/22 performance cycle have been replaced with the Business Continuity Payments in recognition of the employee's efforts in delivering the transformation project. The Performance bonus process will (subject to the amendments foreshadowed above) then operate as per current practice from the 2022-23 performance cycle onwards.

Parental Leave

- The following changes will be made to the Parental Leave arrangements:
 - Paid leave for Primary Caregivers to increase from 15 weeks to 16 weeks.
 - Paid leave for Secondary Caregivers to increase from 3 weeks to 4 weeks.
 - The 12 month continuous employment eligibility period for paid parental leave will be removed.
 - Additional paid Secondary Caregiver leave of 12 weeks will be made available to Secondary Caregivers who become the Primary Caregiver. The additional leave must be taken within the first 78 weeks after the birth or adoption of the Child. The provision in the *Victorian Public Service Enterprise Agreement 2020* will be used as a guide in the drafting the proposed agreement.
 - ESSSuper will make a lump sum contribution to an Employee's eligible superannuation fund in respect to a period of Primary Caregiver parental leave commencing on or after the date the proposed agreement commences operation. The payment will capped at 52 weeks and made upon the return of the Employee to work. Clause 37.5 of the *Victorian Public Service Enterprise Agreement 2020* will be used as a guide in the drafting of the proposed agreement.

Gender equity

- ESSSuper is committed to achieving and promoting gender equity and is committed to implementing all of the measures arising from the VPS IR Policies as those are updated. During the drafting of the proposed Agreement the parties will work with Industrial Relations Victoria to develop a model gender equality provision based on clause 28 of the *Victorian Public Service Enterprise Agreement 2020*.

Long Service Leave

- The following changes to existing Long Service Leave provisions to align to recent legislative changes will be made:
 - The entitlement to Long Service Leave will be available after the completion of seven years' service (previously ten years). The rate for calculating the Long Service Leave entitlement remains unchanged.
 - Long Service Leave may be taken as single days, i.e. the leave does not need to be taken in a continuous block.
 - The first 52 weeks of unpaid parental leave on each occasion will be counted as service for the purposes of calculating continuous service.

Sporting Participation Leave

- Up to two weeks of paid leave in a two-year period may be granted to participate as a competitor or an official in non-professional state, national or international sporting events.

Cashing out of Annual Leave

- Provision for employees to request to cash out Annual Leave will be included in the proposed agreement, subject to the limitations provided by legislation and by ESSSuper's policy.

Flexible Work

- Flexible work and ad hoc leave mechanism already exist at ESSSuper. Employees may negotiate with their manager arrangements for each Employee's personal work / life balance. This can be agreed either informally or formally through an individual flexibility agreement. ESSSuper anticipates that all of these arrangements will be managed at the local level and as such should provide the greatest flexibility.

Drafting of the proposed Agreement

- The parties will use their best endeavours to complete a draft of the proposed agreement giving effect to the terms of this Heads of Agreement by Friday 29 January 2021.
- The proposed agreement will then be submitted for formal approval of Government consistent with the requirements of the *Public Sector Industrial Relations Policies 2015* prior to the commencement of the formal approval process under the *Fair Work Act 2009*.
- In drafting the proposed Agreement, ESSSuper will have consideration for any similar provisions from the *Victorian Public Service Enterprise Agreement 2020*. In determining whether to adopt any similar provision from the VPS Agreement the Employer will have consideration of whether the provision would have substantive cost implications for the Employer (other than those agreed in this Heads of Agreement) or have operational impacts.
- For the avoidance of doubt, the proposed agreement will include a clause that ESSSuper's policies are not incorporated into the Agreement.

Signatories



Mark Puli
Chief Executive Officer
ESSSuper



Karen Batt
Branch Secretary
CPSU/SPSF Victorian Branch