

THE FLINDERS RANGERS COUNCIL ENTERPRISE AGREEMENT NO 8 - 2014

File No. 06414/2014B

This Agreement shall come into force on and from 27 October 2014 and have a life extending until 1 March 2017.

THE COMMISSION HEREBY APPROVES THIS ENTERPRISE AGREEMENT PURSUANT TO SECTION 79 OF THE FAIR WORK ACT 1994.



DATED 27/10/2014.

A handwritten signature in black ink, appearing to read "P. J. McMichael".

COMMISSION MEMBER



THE FLINDERS RANGES COUNCIL
ENTERPRISE AGREEMENT NO 8 - 2014

CLAUSE 1 - TITLE

This Agreement shall be entitled The Flinders Ranges Council Enterprise Agreement No 8 - 2014.

CLAUSE 2 - ARRANGEMENT

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CLAUSE 3 - APPLICATION

- 3.1 This Agreement shall apply to The Flinders Ranges Council (the Employer) and the Australian Workers Union (AWU South Australian Branch) and (Amalgamated AWU (SA) State Union) (the Union) and all Employees of The Flinders Ranges Council who perform work covered by this Agreement and are eligible to be members of the Australian Workers Union (AWU South Australian Branch).

CLAUSE 4 - PERIOD OF OPERATION

- 4.1 This Agreement shall commence from the day of certification in the Industrial Relations Commission of South Australian and remain in force until the 1st of March 2017.
- 4.2 The parties shall conduct a review of the Agreement every twelve (12) months after certification; any matters requiring attention shall be identified and reviewed at that time by the Single Bargaining Unit.
- 4.3 This Agreement will be renegotiated during the final six (6) months of the thirty six (36) month period, it is the intent of both parties that during the final six (6) month review that be there no outstanding matters to be negotiated that the parties agree to roll over the current enterprise agreement for a further twelve (12) months to an expiry date of the 1st of March 2018. Upon the recertification of the agreement for a further twelve (12) months a wage increase of 5% will be applied to the wages as of the first pay period after the 1st of March 2017, this increase is reflected in the current wages table.

CLAUSE 5 - DEFINITIONS

- 5.1 For the purposes of this Agreement:

- ✚ **"Award"** means Local Government Employees Award (as varied).
- ✚ **"Employer"** means The Flinders Ranges Council.
- ✚ **"Union"** means the Australian Workers Union (AWU South Australian Branch) and (Amalgamated AWU (SA) State Union).
- ✚ **"Employee"** means any Employee of the Council who performs work covered by this Agreement and the Award.
- ✚ **"Agreement"** means The Flinders Ranges Council Enterprise Agreement No 8 - 2014.
- ✚ **"Commission"** means the Industrial Relations Commission of South Australia.
- ✚ **"Consultation"** means the process, which will have regard to Employees interested in the formulation of plans, which have a direct impact upon them. It provides Employees with the opportunity to have their viewpoints heard and taken into account prior to a decision being made.

CLAUSE 6 - RELATIONSHIP TO CURRENT AWARD

- 6.1 This Agreement shall be read in conjunction with the Local Government Employees Award, provided that where there is any inconsistency this Agreement shall take precedence.
- 6.2 This Agreement supersedes all other certified Enterprise Agreements between the parties.

CLAUSE 7 - OBJECTIVES

- 7.1 The aim of this Agreement is to develop and support a flexible workforce and management structure committed to the continued improvement and success of The Flinders Ranges Council and there upon develop and encourage an "Enterprise Culture".
- 7.2 The parties believe that the desire to embrace measures aimed at achieving improved productivity will ultimately lead to the success of the Enterprise and therefore offer to Employees a sustainable level of job security.

- 7.3 The aims and objectives of this Agreement will be achieved by addressing such matters as:
- ✚ The removal of artificial demarcations and unreasonably restrictive working and management practices with a view to further and on-going harmonious industrial relations;
 - ✚ Improving flexibility in labour supply;
 - ✚ Reviewing and improving work arrangements;
 - ✚ Developing a high degree of participation, team work, trust and shared commitment to the goals and policies of The Flinders Ranges Council and the achievement of real and sustainable improvements in productivity;
 - ✚ Adoption of practices to improve standards of Work Health and Safety;
 - ✚ Looking at new ways of improving work practices and reduction of wastage and lost time;
 - ✚ Continuing development and adoption of initiatives designed to enhance Council's performance;
 - ✚ Introduction of measures to reduce absenteeism;
 - ✚ Continuously looking at new ways to improve processes and customer satisfaction;
 - ✚ Affirmative action by all and commitment to Equal Employment Opportunity principles;
 - ✚ To ensure Council's continued viability and stability, with all parties striving at all times to do all that is practical and reasonable to enhance, improve and sustain the image of The Flinders Ranges Council;
 - ✚ Implement a training and skills improvement program within The Flinders Ranges Council for all Employees; such program will enable Employees to increase their level of individual expertise and in turn improve the excellence of The Flinders Ranges Council through the provision of defined career paths and opportunities;
 - ✚ Ensure strict adherence to the Award, this Agreement and all statutory provisions.

CLAUSE 8 - CONSULTATIVE MECHANISM

- 8.1 The parties agree that the effective operation of this Agreement is dependent on the continuation of the established Consultative Structures within the workplace. The principle Consultative Structure is the Single Bargaining Unit.
- 8.2 The Single Bargaining Unit shall consist of:
- ✚ Representatives as nominated by The Flinders Ranges Council.
 - ✚ Employee representatives employed by The Flinders Ranges Council elected by the workforce.
 - ✚ The State Secretary of the Australian Workers Union (AWU South Australian Branch) (or their nominee).

8.3 The role of the Single Bargaining Unit shall be:

-  To reach decisions by consensus. All decisions will operate as recommendations to both parties.
-  To hear and acknowledge reports and ideas generated by Employee and Employer representatives on a range of issues.
-  To provide a forum for information flow between the Employer and Employees.

CLAUSE 9 - WORK HEALTH AND SAFETY

- 9.1 All Employees of The Flinders Ranges Council shall be ensured a safe working environment at all times.
- 9.2 The Employer and the Union shall give full co-operation to the achievement of high standards of Work Health and Safety.
- 9.3 The parties recognise safety education and safety programs shall be fundamental in achieving this objective. On all of the Employer's projects there shall be strict compliance to all Acts and Regulations and the implementation of Industry Codes and Practice, to provide protection to all.
- 9.4 The Flinders Ranges Council will endeavour to ensure that all sub-contractors will adopt and implement the Employer's policies. Moreover, The Flinders Ranges Council will endeavour to also ensure that all sub-contractors strictly adhere to all Acts and Regulations, Industry Codes of Practice and other relevant Work Health and Safety guidelines, so as to provide and maintain a safe working environment.
- 9.5 Work Health and Safety policies and Council procedures are readily available in written form at Council depots.

CLAUSE 10 - EMPLOYEE RELATIONS

- 10.1 The parties recognise the need to maintain mutual trust and understanding to improve Employee relations throughout the organisation.
- 10.2 The parties agree the need to refocus the traditional Industrial Relations approach to one of Employee relations, where consultation is viewed as essential to any change. Council recognises the need for Employee commitment to achieve effective improvements in productivity.
- 10.3 Council is committed to ensure that there is an opportunity for Employees to be involved and express their opinions before changes occur which are likely to have an impact on the workplace and their jobs.

CLAUSE 11 - GRADE 9/10 EMPLOYEES

- 11.1 The parties recognise the commitment to quality, cost effective delivery of its infrastructure services which places an additional level of accountability on the positions of site supervisors. Accordingly, the classification of Municipal Employee Level nine (9) & Level ten (10) (described hereunder) has been established and added to the Classification Range.

11.1.1 Municipal Employee Grade nine (9)

An employee may be classified as a Municipal Employee Grade nine (9) at the discretion of the employer after having demonstrated their ability to competently perform all of the tasks listed for a Municipal Employee Grade 8 together with leadership qualities and effective interpersonal and communication skills.

A Municipal Employee Grade nine (9) must demonstrate the following level of skills and competencies:

- ✚ Supervisory capabilities and a positive attitude towards the goals and objectives of their position;
- ✚ Adhere to work schedules with the ability to reorganise activities as required to cater for unforeseen circumstances;
- ✚ Ensure that the performance of the employee's gang meets appropriate performance objectives;
- ✚ Identify unsatisfactory performance of employees in their work group and take the appropriate responsive action in accordance with the Council's performance management policy;
- ✚ Conduct on the job training and ensure that all employees in their work group are properly inducted on their job requirements, work practices and performance obligations;
- ✚ Ensure that all vehicles and equipment used in their work units are maintained in accordance with Council policy; and
- ✚ Ensure correct recording for all labour, equipment and materials.

11.1.2 Municipal Employee Grade ten (10)

An employee may be classified as a Municipal Employee Grade ten (10) at the discretion of the employer after having demonstrated their ability to competently perform all of the tasks listed for a Municipal Employee Grade nine (9) together with leadership qualities and effective interpersonal and communication skills.

CLAUSE 12 - SPECIFIC CHANGES

12.1 Flexible Hours - Aggregate Hours Approach

- 12.1.1 All Employees shall work thirty eight (38) hours per week over a two (2) week cycle with the minimum-working requirement being seventy six (76) hours.
- 12.1.2 This Agreement allows for up to ninety (90) hours to be worked over any two week pay cycle on the basis that the time worked above seventy six (76) hours is accumulated at ordinary time and taken as payment or time off in lieu of payment.
- 12.1.3 For any time worked in excess of ninety (90) hours in any two (2) week cycle the appropriate Award penalty rates shall apply. However, payment may be made at ordinary time with any additional penalty rates accruing and taken as time off in lieu of payment if the Employee concerned agrees.
- 12.1.4 All accredited time off in lieu of payment should be taken before 30 June each year at a time mutually agreed between the Employer and the Employee concerned.
- 12.1.5 The Employer will provide details of credited time on pay slips.

- 12.1.6 This flexible hour's arrangement includes weekends, public holidays and scheduled rostered days off.
- 12.1.7 Supervisors will make every endeavour that TOIL banked hours do not exceed one (1) week in total at any time during the year.
- 12.1.8 If the hour's bank has not been cleared by the employee as at the 31st of May of each year and this has been through no fault of the employee, the employer will clear the hour's bank and this time will be paid at time and a half. If the employee chooses to clear the hour's bank at any time, this time will be paid at single time.
- 12.1.9 Nothing in clause 12.1.8 precludes individual employees and the employer from entering into a mutually agreed position of being able to carry hours over into the next twelve month period. This time carried over would be agreed to be utilised before the next twelve month anniversary.
- 12.1.10 If through no fault of its own the Council is unable to allow the employee to take the hours agreed to within clause 12.1.9 then the employee will be paid at single time. If through no fault of the employee, they are unable to take the hours agreed to within clause 12.1.9 then the Council will pay the employee out at time and a half.
- 12.1.11 The Council and the Employees are committed to ongoing improvements in productivity that is beneficial to both Council and the Employees, as such the Council and Employees commit to a three month trial period upon certification of this Agreement of an 8 day fortnight. Upon the anniversary of the three month trial period the Committee will reconvene to discuss the trial becoming, upon mutual agreement, a permanent fixture of Council operations. The RDO's will be taken as agreed with Employees either on a Friday or on a Monday.

12.2 Compensation for Penalty Rates

- 12.2.1 The Employer shall provide three days extra paid leave each year at ordinary time. Part years of service will attract a pro rata entitlement. The three days extra paid leave is to be programmed and taken during the intervening days between the Christmas - New Year break.

12.3 Deployment

- 12.3.1 Deployment of Employees on flexible hours will be by agreement between the Employee and the Employer, for all work undertaken by Council.
- 12.3.2 Where directed by the Employer, Employees undertake the agreed work. Time spent undertaking agreed work including emergencies shall be included in the flexible hour's agreement. Up to ninety (90) hours per two week cycle shall be paid at ordinary time with time worked in excess of ninety (90) hours paid at the appropriate Award penalty rate divisor.

CLAUSE 13 – SICK/CARERS LEAVE

- 13.1 Council acknowledges the relationship of work and family and the importance of the effective combination of both in increasing productivity and reducing absenteeism and staff turnover rates in the Council.
- 13.2 Sick/Carer's leave will be applied in accordance with the Local Government Employees Award.

CLAUSE 14 - SECURITY OF EMPLOYMENT

- 14.1 As part of its commitment to the intentions of the Agreement, The Flinders Ranges Council gives the following undertakings to Employees:
- ✚ For the life of this Agreement the above commitment shall result in no forced redundancies in the workforce.
 - ✚ Any factors which may affect the staffing levels at The Flinders Ranges Council shall be discussed at the earliest possible opportunity with all Employees.

CLAUSE 15 - EMPLOYEES PROTECTION

- 15.1 This Agreement shall not operate so as to cause any Employee to suffer a reduction in remuneration and benefits provided by the Employer applicable at the time of signing of the Agreement.

CLAUSE 16 - SHUT DOWN

- 16.1 The employer and employees agree to the business operations to be shut down for a two week period over the Christmas / New Year holiday. The employees are to take leave during this shut down period and can be any combination of annual leave, grace days, Rostered Days Off or time of in lieu (TOIL).

CLAUSE 17 - TRAINING

- 17.1 The employees agree that in return for receiving skills based training, paid for by the employer, they will maintain their contract of employment with the employer for a further twelve (12) calendar months or twenty four (24) calendar months depending on the level of financial commitment and by agreement with the employee. It is understood by both parties that training benefits both employee (by increasing skill sets and therefore job prospects) and employer (by increasing efficiency and safety of operations) and that Clause 17 is exclusive of legislative training.
- 17.2 If the employee should leave, for whatever reason, before the end of the twelve (12) or twenty four (24) calendar month period in Clause 17.1, then the employee will have an amount deducted from their final pay being calculated as the total cost of training divided by twelve (12) or twenty four (24) as the case may be multiplied by the remaining period of the twelve (12) or twenty four (24) calendar month period.

CLAUSE 18 - WAGE INCREASES

- 18.1 Employees, with regard to acceptance of the objectives of this Agreement, shall;
- 18.1.1 Receive a wage increase of 5%, this increase to apply as from the first full pay period on or after the 1st March 2014.
 - 18.1.2 Receive a wage increase of a further 5%, this increase to apply as from the first full pay period on or after the 1st March 2015
 - 18.1.3 Receive a wage increase of a further 5%, this increase to apply as from the first full pay period on or after the 1st March 2016
 - 18.1.4 Receive a wage increase of a further 5%, this increase to apply as from the first full pay period on or after the 1st March 2017
- 18.3 The increases in 18.1 above are in lieu of any increase in the award and include all allowances payable under the Award.

CLAUSE 19 - SUPERANNUATION

- 19.1 The Employer must pay superannuation contributions in respect of each Employee into the Statewide Superannuation Scheme unless the employee chooses to exercise their freedom of choice by way of the relevant legislation.
- 19.2 For the purpose of this clause:
- 19.2.1 **"Local Government Superannuation Scheme"** means the superannuation scheme established in 1984 under the Local Government Act 1934 (as amended) and as a result of the Local Government (Superannuation Scheme) Amendment Act 2008, from 1 January 2009 governed substantially by a stand-alone trust deed between the Local Government Superannuation Board (former Trustee) and Local Super Pty Ltd (new Trustee).
 - 19.2.2 **"Superannuation Contributions"** means:
 -  Contributions which the Employer is required to pay under the terms of the rules governing the Statewide Superannuation Scheme;
 -  Contributions which the Employer must pay to a superannuation fund in respect of the Employee in order to avoid the imposition of a superannuation guarantee charge under the Superannuation Guarantee (Administration) Act 1992;
 -  Council will pay to the Superannuation Scheme an amount (in respect to each Employee) no less than the amount specified in the Superannuation Guarantee Act;
 -  Any additional superannuation contributions which the Employer agrees to pay in respect of any Employee.
 - 19.2.3 Subject to the provisions of Clause 20.2.2, the parties agree that the employer will pay employee superannuation contributions in respect of each employee into Statewide Super. Unless the employee chooses to exercise their freedom of choice by way of the relevant legislation.

CLAUSE 20 - SALARY SACRIFICE

- 20.1 Subject to the following conditions, an employee may apply to the Council to salary sacrifice any part of his/her salary (including Award or Enterprise Agreement based salary/wages) to make additional contributions to the Local Government Superannuation Scheme or any complying fund.
- 20.2 As salary sacrifice is a complex matter, it is the employee's responsibility to seek advice and fully understand all implications of salary sacrifice before seeking to enter into this arrangement.
- 20.3 The employee's substantive gross salary for all purposes, including but not limited to superannuation, annual leave, annual leave loading and long service leave, shall be the pre-sacrificing salary.
- 20.4 Any such arrangement shall be by mutual agreement between each individual employee and Council, provided that approval by the Council shall not be unreasonably withheld.
- 20.5 The application shall be in writing on the form provided by the payroll section and shall detail the percentage of salary to be salary sacrificed together with a statement that the "cash" component is adequate for his/her on-going living expenses.
- 20.6 Each employee may review and alter the percentage of salary to be salary sacrificed. The arrangements may only apply to future salary arrangements and cannot operate retrospectively.
- 20.7 The individual arrangement to salary sacrifice may be rescinded by the employee provided three (3) months prior notice in writing is given to Council.
- 20.8 The employee shall bear responsibility and costs associated with taxation and any other matters in respect of the salary sacrifice arrangements. This means that contributions made to the Local Government Superannuation Scheme or any complying fund will be adjusted (at employee's cost) to take account of taxation payable in relation to those contributions.
- 20.9 Salary sacrifice contributions will be treated as employer contributions and may be subject to the superannuation surcharge and are likely to be preserved.
- 20.10 If the employee agrees to Salary Sacrifice 9.5% or more of their salary, the Council will contribute a further 1% above the Superannuation Guarantee Levy amount into their super fund.

CLAUSE 21 - CONTESTABILITY

- 21.1 The parties agree to consider a contestability process, which will suit the needs of the Employees and the Employer in the best possible manner. The contestability process will be discussed in greater depth by the Single Bargaining Unit during the lifetime of this Agreement to evaluate all pros and cons before it can be implemented. The model proposed by the Australian Workers Union (AWU South Australian Branch) may be used as a reference document.
- 21.2 A copy of the reference document is attached as Appendix B.

CLAUSE 22 - NO FURTHER CLAIMS

- 22.1 The Australian Workers Union (AWU South Australian Branch) undertakes that during the period of operation of this Agreement there shall be no further wage increases sought, or granted.
- 22.2 Basic standards of employment and entitlements in Council will not be negotiated at the Enterprise level for the life of this agreement, including the following:
-  Hours of Duty
 -  Award Rates of Pay and Classifications
 -  Annual Leave
 -  Penalty Rates (e.g.: Overtime Rates, TOIL Rates)
 -  Average Weekly Working Hours of 38 Hours

CLAUSE 23 - SETTLEMENT OF DISPUTES

- 23.1 In the event of a dispute arising between Council and an Employee or Employees concerning any aspect of work, the following procedure shall be observed:
- 23.1.1 Employee(s) shall in the first instance seek to resolve any dispute with the relevant Supervisor.
 - 23.1.2 Conversely, a Supervisor should seek to resolve any disputes directly with the Employee(s) concerned, as appropriate.
 - 23.1.3 If matters remain unresolved then assistance should be sought from the Works Manager and the appropriate Workplace Representative who may involve a Union Official.
 - 23.1.4 If, at this stage matters are unresolved, the Works Manager will liaise with the Chief Executive Officer, as appropriate.
- 23.2 If the issues remain unresolved, either party may refer the matter to the Industrial Relations Commission of South Australia for conciliation and if necessary arbitration. Both parties shall endeavour to have the hearing as early as possible.
- 23.3 While procedures in clause 23.1 and clause 23.2 are being followed, work shall continue normally except in a bona-fide situation where the physical safety of any Employee is endangered.
- 23.4 The ultimate terms of settlement of a problem shall not be affected in any way, nor shall right of any person involved in or affected be prejudiced by the fact that normal work has continued without interruption.
- 23.5 None of the above precludes an Employee from contacting their Workplace Representative, Union Official or a representative of their choice at any time.

CLAUSE 24 – DISCIPLINARY PROCEDURE

- 24.1 The following steps form the disciplinary procedure, which will be followed in all cases where such action is considered to be necessary;
- 24.1.1 **Reprimand**
The Works Co-ordinator or Works Manager, reprimands the employee for not performing his or her duties satisfactorily. A record will be kept of the date of the reprimand and any further reprimands that take place and if the employee's performance does not improve, the Works Co-ordinator will report the matter to the Works Manager.
- 24.1.2 **First Warning**
After consultation with the Works Co-ordinator, the Works Manager will warn the employee. This will be confirmed in writing and a copy handed to the employee. A copy will be put on the employee's personnel file. If, after a suitable length of time, the employee's performance improves, the letter will be disregarded as a first warning.
- 24.1.3 **Final Warning**
If the employee's performance has not improved after the first warning, after consultation with the Works Coordinator and in the presence of the Union or Employee's Representative, the employee will be handed a written final warning.
- 24.1.4 **Notice of Termination**
If there is no improvement after the issue of a final warning, the employee's employment will be terminated.
- 24.2 Where misdemeanours are considered by the Works Coordinator to be of a more serious nature, then the reprimand or both the reprimand and first warning steps, may be omitted.
- 24.3 Every endeavour is made to avoid using the disciplinary procedure by maintaining good communication between employees and their Supervisors, but when that communication breaks down, a formal procedure, acceptable to the Union and Employees, is necessary.

CLAUSE 24 - NOT TO BE USED AS A PRECEDENT

- 24.1 This Agreement shall not be used in any manner whatsoever to obtain similar arrangements or benefits in any other Local Government Council or workplace and shall not be used by any party in any Tribunal or Industrial Commission.

CLAUSE 25 - SIGNATORIES

Signed for and on behalf of **The Flinders Ranges Council** by:

.....
COLIN DAVIES
Chief Executive Officer

.....
Witness

on this day of 2014

Signed for and on behalf of the employees by the **Australian Workers Union**:

.....
PETER LAMPS
Secretary

.....
Witness

on this day of 2014

APPENDIX A

The Flinders Ranges Council Enterprise Agreement No 8 - 2014

	Total Weekly Rate incl. Disability as at 28Feb14	Hourly	Total Weekly Rate incl. Disability as at 01Mar14	Total Weekly Rate incl. Disability as at 01Mar15	Total Weekly Rate incl. Disability as at 01Mar16	Total Weekly Rate incl. Disability as at 01Mar17
EB Rate Increase			5%	5%	5%	5%
Grade 1 Yr 1	766.14	20.1616	804.45	844.67	886.90	931.25
Grade 1 Yr 2	775.94	20.4195	814.74	855.48	898.25	943.16
Grade 1 Yr 3	785.62	20.6742	824.90	866.15	909.46	954.93
Grade 2 Yr 1	788.07	20.7387	827.47	868.84	912.28	957.89
Grade 2 Yr 2	797.87	20.9966	837.76	879.65	923.63	969.81
Grade 2 Yr 3	807.55	21.2513	847.93	890.33	934.85	981.59
Grade 3 Yr 1	810.51	21.3292	851.04	893.59	938.27	985.18
Grade 3 Yr 2	820.32	21.5874	861.34	904.41	949.63	997.11
Grade 3 Yr 3	829.99	21.8418	871.49	915.06	960.81	1,008.85
Grade 4 Yr 1	837.60	22.0421	879.48	923.45	969.62	1,018.10
Grade 4 Yr 2	847.41	22.3003	889.78	934.27	980.98	1,030.03
Grade 4 Yr 3	857.08	22.5547	899.93	944.93	992.18	1,041.79
Grade 5 Yr 1	858.76	22.5989	901.70	946.79	994.13	1,043.84
Grade 5 Yr 2	868.56	22.8568	911.99	957.59	1,005.47	1,055.74
Grade 5 Yr 3	878.24	23.1116	922.15	968.26	1,016.67	1,067.50
Grade 6 Yr 1	874.63	23.0166	918.36	964.28	1,012.49	1,063.11
Grade 6 Yr 2	884.43	23.2745	928.65	975.08	1,023.83	1,075.02
Grade 6 Yr 3	894.11	23.5292	938.82	985.76	1,035.05	1,086.80
Grade 7 Yr 1	890.49	23.4339	935.01	981.76	1,030.85	1,082.39
Grade 7 Yr 2	900.30	23.6921	945.32	992.59	1,042.22	1,094.33
Grade 7 Yr 3	909.97	23.9466	955.47	1,003.24	1,053.40	1,106.07
Grade 8 Yr 1	905.07	23.8176	950.32	997.84	1,047.73	1,100.12
Grade 8 Yr 2	914.88	24.0758	960.62	1,008.65	1,059.08	1,112.03
Grade 8 Yr 3	924.55	24.3303	970.78	1,019.32	1,070.29	1,123.80
Grade 9 Yr 1	920.94	24.2353	966.99	1,015.34	1,066.11	1,119.42
Grade 9 Yr 2	930.74	24.4932	977.28	1,026.14	1,077.45	1,131.32
Grade 9 Yr 3	940.42	24.7479	987.44	1,036.81	1,088.65	1,143.08
Grade 10 Yr 1	942.09	24.7918	989.19	1,038.65	1,090.58	1,145.11
Grade 10 Yr 2	951.90	25.0500	999.50	1,049.48	1,101.95	1,157.05
Grade 10 Yr 3	961.57	25.3045	1,009.65	1,060.13	1,113.14	1,168.80

* Schedule rates include all allowances.

APPENDIX B

CONTESTABILITY REFERENCE DOCUMENT

Contestability has a key role in ensuring The Flinders Ranges Council provides high quality services to its customers. Contestability at The Flinders Ranges Council means testing the services of the Council against the market from time to time to determine the efficiency and effectiveness of the service provided.

If it is determined that an outside provider is able to provide a more efficient and effective service for Council's customers, Employees will be given the opportunity to match the service. If this is not possible Council may put the service out to tender.

The following steps are to ensure that contestability is introduced into the Council, to be based on the principles of fairness and equity.

1. Organisational and Procedure Review

1. Organisation Structure

Business Units will be established to:

-  Clearly identify costs of all overheads
-  Clearly identify costs of all activities
-  Clearly identify performance against standards
-  Ensure a clear differentiation between the client and provider sides of the service delivery.

2. Activities Specification

Activity specifications will be developed for each business unit. These documents will be produced in a format to establish a basis for quality accreditation.

3 Evaluation System

Evaluation criteria to be used in market testing will be developed for each activity.

4. Costing System

In developing costing systems for contestability it is recognised that Local Government carries a cost of governance. This will be identified as a separate cost and should in principle not be included in the cost of the tender.

Costing systems that are transparent will be developed that ensure that both in-house and external providers are treated fairly and equally and that all costs including overheads are separately identified.

5. Tendering/Benchmarking Processes

In order to market test Council services against other providers the following steps will be taken:

-  Existing tendering processes will be reviewed and amended where necessary to ensure fairness and equality for all parties.
-  Benchmarking processes will be established for each activity.
-  Tendering processes shall include performance measurement for each contract.

6. Staff Training

Staff will be provided within existing budget provisions training and support in all aspects of contestability.

All the above steps will be taken in consultation with all parties to this Agreement.

2. Performance Standards/Indicators

Performance indicators and performance standards have a key role in contestability. They are a means of measuring what has been achieved and the need for any further improvements.

The primary role of performance indicators is to assist in achieving contestability and the delivery of Business Plan Key Result Areas in the interest of customers, The Flinders Ranges Council and Employees. Performance indicators will be developed during the life of this Agreement.

Performance indicators can be developed in response to clearly articulated business plan objectives. These indicators will be developed and implemented through consultation with Single Bargaining Unit and will be subject to regular reviews.

It is recognised that performance indicators are not an end in themselves but are a means of identifying trends and efficiency against Best Practice benchmarks. They enable to identification of areas where there is potential for further improvements.

Key benchmarking indicators shall include but not be limited to those defined within each business plan put together with:

- ✚ Customer service (internal and external)
- ✚ Customer satisfaction (internal and external)
- ✚ Wastage and rework
- ✚ Workforce participation in productivity and improvements
- ✚ Financial performance
- ✚ Staff absenteeism
- ✚ Increased skills, education and training
- ✚ Work organisation and flexibility
- ✚ Equipment down time
- ✚ Assessment against industry standards
- ✚ Timeliness
- ✚ Work Health and Safety performance

Performance standards/indicators shall be developed using a participatory approach involving union, Employee representatives and management.

Within twelve (12) months of signing this Agreement, figures against each performance standards/indicators will be compiled to cover comparable Councils and other relevant public and private sector organisations.

3. Quality Management

To maintain a competitive edge in contestable works it is essential that the documentation and benchmarks be used as the basis of continuous improvement programs. With that in mind the parties agreed that:

- ✚ Within the first twelve (12) months of this Agreement, the parties will undertake documentation of existing procedures and practices to establish a basis for quality accreditation.
- ✚ Training in the concepts of Total Quality Management will be provided.
- ✚ At the end of this Agreement The Flinders Ranges Council aims to be able to be third party accredited in 75% of contestable field operations.

4. Training

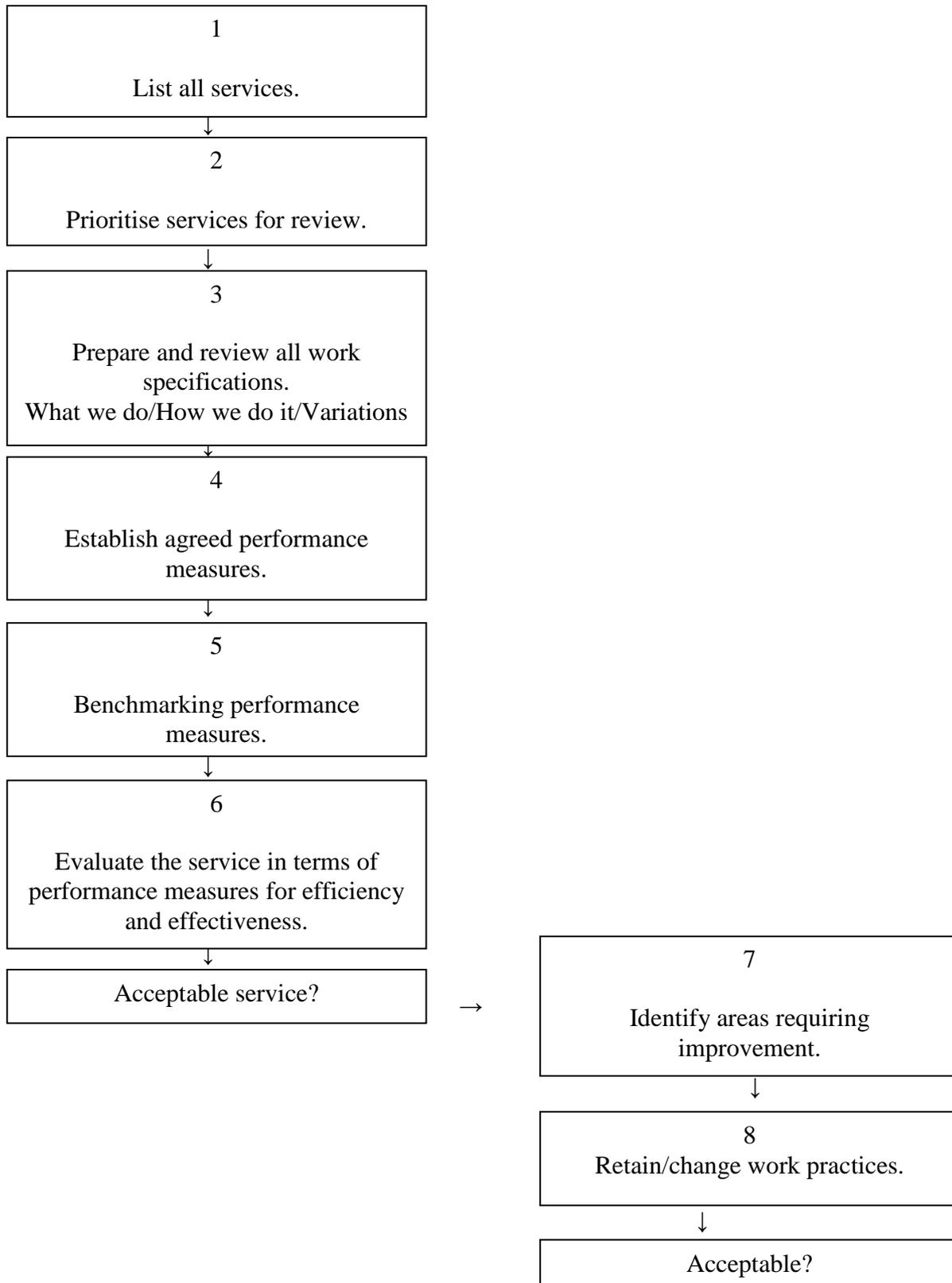
The parties recognise that the achievement of increased efficiency, productivity and contestability for Council requires that Employees effectively utilise the training provided to them and that training will be provided on the basis of appropriateness and identified needs.

Council has a commitment to the on-going training of its Employees and the development of a multi-skilled workforce, to ensure contestability.

The parties to this Agreement recognise that commitment to training and skill development is essential to increase the productivity and efficiency of the Council and to enhance career development of the Employees. The parties agree to consider and/or adopt applicable Standards in the development of training and skills' programs for the Employees.

Training will be organised and approved in accordance with the Council's Training and Development Policy.

CONTESTABILITY PROCESS MODEL



PROCESS STEPS

1. List All Services

1. List all of the functions/sections covering the workforce covered by Enterprise Agreement 8 -2014 including areas overlapping with other employees not covered by Enterprise Agreement 8 -2014.
2. List all the services provided within each Department/Section as identified in the Business Plan.
3. Identify any services currently not provided but which are being considered for provision or are opportunities.

2. Prioritise Services for Review

1. Identify/select services for review in conjunction with Business Plan, Council, Customer and legislative requirements.
2. List the services for review in order of priority using established criteria such as current contract due for renewal, service costs increasing, quality not meeting customer expectations etc.

3. Prepare and Review All Work Specifications i.e. What We Do/How We Do It/Variations

1. Train teams/identified Employees in task analysis and specification preparation and review.
2. Identify and define all key tasks undertaken, i.e. What are we actually providing the customer?
3. Identify and record how the tasks/processes are undertaken. i.e. Flow-chart and document the current processes.
4. Identify any key process variable, which impact on the provision of the service.
5. Identify any non-value adding activities within the system, which can be eliminated from the service provision.
6. Prepare or review specifications to ensure they are accurate, relevant and in line with customer expectations.

4. Establish Agreed Performance Measures

1. Train Employees in performance measurement and statistical methods relevant for contestability, ensuring consistency of approach throughout the organisation.
2. Train identified Employees in the use of statistical methods relevant to the management and reduction of variation.
3. Establish agreed performance measures which can be reported on and which are important in reducing variation in tasks within the services provided.
4. Ensure performance measures are relevant, able to be benchmarked, easily reported on and are relevant to the Business Plan.

5. Benchmarking Performance Measures

1. Train identified Employees in benchmarking.
2. Identify benchmarking partners from organisations with a similar service/function.
3. Select benchmarking partners after discussions with the relevant organisations.
4. Agree on benchmarking Code of Conduct.
5. Benchmark performance against benchmarking partners using key performance measures.
6. Report on benchmark findings.

6. Evaluate the Service In Terms Of Performance Measures for Efficiency and Effectiveness

1. Using benchmarking results, evaluate the service in terms of quality and performance measures.
2. Identify any significant variation to benchmarking partners and areas requiring improvements.
3. Investigate with benchmarking partners areas of apparent best practice not evident within the service results.

7. Identify Areas Requiring Improvement

1. Identify what changes can be made to the service, if necessary and consult with the relevant parties.
2. Document agreed changes to the specification.

8. Retrain/Change Work Practices

1. Retrain Employees in changing work practices.
2. Implement agreed changes.
3. Review the agreed changes in terms of benchmarking the key performance indicators.

CONTESTABILITY TERMS AND DEFINITIONS

Benchmarking

Benchmarking involves the use of indicators to measure performance against others. The whole purpose of benchmarking is to provide information, which can be used to either identify improvements to be made or to monitor progress in making improvements. Benchmarking:

- ✚ compares how you do something to how others do it;
- ✚ reveals the performance gaps you need to close;
- ✚ helps you find the best practices in your industry; and
- ✚ will help you become more competitive.

Business Plan

A Business Plan is a Management Plan for the business unit. It should establish the aims and objectives, review strengths and weaknesses, outline marketing and operational strategies of the unit.

Business Units

A Business Unit is an in-house Council owned service or work area that operates on commercial or business principles and within increased level of autonomy to compete both internally and externally for work.

Client

The Client (Purchaser) part of the organisation is responsible for identifying and monitoring community needs and for the financial and service performance of the organisation, but not necessarily the technical or practical delivery of services.

Competitive Tendering

Competitive Tendering is a process whereby costs of providing products or services of a set quality are compared with internal and external providers. This involves exposing in-house terms to competition through an open tender process. In-house bids are submitted and assisted by the provider part of the organisation whilst the tender procedures are managed by the client part. Competitive Tendering involves the following key steps:

- ✚ document and review current service (including cost and quality);
- ✚ prepare a service specification and tender documentation;
- ✚ call for tenders (including a bid from in-house team);
- ✚ evaluate tenders in accordance with stated criteria and award the contract to the preferred (internal or external) contractor;
- ✚ manage the performance of the successful tender.

This is also called Market Testing.

Compulsory Competitive Tendering

Compulsory Competitive Tendering is when competitive tendering is made compulsory by legislation or when it is made compulsory to tender specific services.

Contestability

Contestability shall mean testing the services of the Council against the open market at set intervals to determine the efficiency and effectiveness of the service provided. If it is determined that an outside provider is able to provide a more efficient and effective service for Council's customers, Employees will be given the opportunity to match the service. If this is not possible Council may put the service out to tender.

Contracting Out/Outsourcing

Contracting Out is the process whereby Council invites tenders for the operation of a particular service in Council's operations, where the service is provided by an external party and Council oversees and retains overall control of the direction of the service. Council has the option at some future time to revert back to full operational responsibility.

Governance

Governance of democracy costs may be a part of the statutory obligations or a key aspect of 'Community Government' and would not be expected to be a part of the private sector contractor's role. Such costs may include:

-  election of representatives of the community to Council;
-  meeting costs of the Council, its Committees and Councillor representation at public functions conferences and meetings;
-  Council strategic planning and policy making responsibilities, but not management meetings of specific services;
-  any salaries and expenses of elected members;
-  the Chief Executive Officer of the Council on matters associated with supporting Elected Members, planning, policy making and the representation role, but not management of services;
-  Corporate Management may also provide advice and support to the governance role including some aspects of accounting, budgeting and annual reports;
-  general information and publicity on the Council, but not its services;
-  costs associated with employing staff, accommodation and administration required to service the operation of Council as described above.

Internal Service Agreement

An agreement between the in-house team and the Council to provide a defined service (annual cost and performance criteria) for a defined period.

Overheads

Costs which are not directly linked to the activity (project) but which are shared across all activities/projects to reflect the total cost of the provision of the service excluding the cost of governance.

Performance Measures

The criteria used to assess the efficiency and effectiveness of a service.

Service Specifications

A document which identifies the services to be provided, and which reflects the outcome desired from a service. The specification will describe the service that has to be provided and the standards that have to be met. It may cover outputs, time scales, processes, or inputs of resource. It sets out the roles and responsibilities of the contractor to the client, and also to service users. The purpose of the specification is to:

-  provide a basis for a fair and competitive tendering process for the service;
-  describe the required service;
-  nominate the required performance levels; and
-  provide a basis for negotiating a manageable performance contract with the successful tender

Transparency

Transparency means clear and fair processes, reporting lines and costing principles are used in Council's Contestability Process and that staff and all potential tenderers feel that they operate on a level playing field.