REGISTER OF ENTERPRISE AGREEMENTS

Registered
Enterprise Agreement
Industrial Registrar

ENTERPRISE AGREEMENT NO: EA97/148

TITLE: Sydney Water Corporation Limited Utilities Business Enterprise

Agreement 1997

I.R.C. NO:

TERM:

97/3839

DATE APPROVED/COMMENCEMENT: 31 July 1997

Expires 30 September 1998

NEW AGREEMENT OR

VARIATION:

New

Replacing EA416/95

GAZETTAL REFERENCE:

DATE TERMINATED:

NUMBER OF PAGES:

20

COVERAGE/DESCRIPTION OF

EMPLOYEES: To apply to all employees engaged in the Utilities Business of Sydney Water Corporation Limited covered by the Sydney Water Award 1994

PARTIES: Sydney Water Corporation Ltd -&- Australian Services Union of N.S.W.

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Sydney Water

Corporation Limited

Utilities Business

Enterprise Agreement

1997

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APPENDIX

APPENDIX 1 UTILITIES TEAMWORK MODEL

Enterprise Agreement
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1. Title

1.1 This Agreement will be known as the Sydney Water Corporation Limited, Utilities Business Enterprise Agreement 1997.

2. Formalities

- 2.1 This Agreement is made between the Utilities business of Sydney Water Corporation Limited and the Australian Services Union of NSW, (herein referred to as 'we' or the 'parties').
- 2.2 This Agreement covers all employees engaged in the Utilities Business of Sydney Water Corporation Limited covered by the Sydney Water Award 1994, other than Senior Managers (contract staff).
- 2.3 The parties declare that this Agreement:
 - is not contrary to the public interest
 - is not unfair, harsh or unconscionable
 - was not entered into under duress
 - is in the interest of the parties
- 2.4 This Agreement shall operate from the date of registration and shall remain in force until the 30th September 1998.
- 2.5 The parties will continuously review this Agreement during its life and at least three months prior to the date of this Agreement commence the process of negotiating its replacement.
- 2.6 The parties are committed to renewing and replacing this agreement with another agreement. Following the process of reviewing this Agreement it may be renewed or replaced by another Agreement. The pay quantums achieved as a result of this Agreement will form the new base pay rates for developing future Agreements.
- 2.7 Productivity payments that arise from this Agreement will not be double counted with any other productivity adjustments.
- 2.8 This Agreement shall regulate partially the terms and conditions of employment previously regulated by the Sydney Water Award 1994, or its successor.
- 2.9 This Agreement will be read and interpreted in conjunction with the Award.

- 2.10 In the event of any inconsistency between the Award and this Agreement, the Agreement will prevail to the extent of the inconsistency, provided that the Award Clause 5.5 Performance Payments, wil not apply.
- 2.11 This Agreement rescinds and replaces the Sydney Water Corporation Utilities Business Enterprise Agreement 1995.
- 2.12 No extra claims for additional pay will be made during the life of this Agreement in relation to matters covered by this Agreement.

Statement of Intent

- 3.1 The Utilities subsidiary of Sydney Water Corporation (hereafter the Corporation) and the Australian Services Union entered into an Enterprise Agreement for the first time in 1995.
- 3.2 The Utilities business is now entering a period in which it will position itself, and the Corporation, for competition in an open market.
- 3.3 During this time, Utilities will be driven by the needs of its customers and will strive to exceed customer expectations and meet all regulatory requirements placed upon its business by environmental and regulatory bodies.
- 3.4 This Agreement builds on the achievements that resulted from the initial Agreement and reaffirms the commitment of the parties to implement a framework which ensures that customer, shareholder and regulator requirements are met and exceeded.
- 3.5 The parties recognise that the business reform agenda will focus on the following key areas:
 - customer needs driving the business
 - growing the business through its people
 - designing business capability to satisfy customers
 - maximising commercial performance
 - linking business development to customer needs
 - leading regulatory development
 - career enhancement and employability through developing people and their skills.
- 3.6 We acknowledge that the success of our business lies in our people's ability to know, understand and serve our customers.

- 3.7 To ensure that our people are able to make the optimum contribution to achieving our business goals, Utilities will pursue the following key people programs which will enable the issues contained in the People of Utilities Plan to be addressed:
 - ensuring people capability

employee and organisational well being

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support the

Registered

3.8 The contents of this Agreement have been developed to implementation of these strategies and to focus on achieving the business direction and values of both Utilities and the Corporation.

4. Teamwork

- 4.1 The Utilities Business aims to develop and operate a team based approach where a cooperative environment becomes the prevailing culture of the organisation.
- 4.2 To this end, an agreed model has been developed which represents an iterative and evolutionary approach as Utilities moves from traditional structures towards greater levels of flexibility and cooperation.
- 4.3 The parties agree to introduce the model as an input to workplace redesign processes, including reorganisation, as per the Award.
- 4.4 The agreed Utilities teamwork model is at Appendix 1 to this Agreement.
- 5. Utilities Equity and Diversity Program GENERAL
- 5.1 Utilities is committed to the principles of Equity and Diversity. It is a core component of all employment practices and a fundamental component of our culture.
- Utilities will progress its Equity and Diversity strategy as a key component of its 'Employee and Organisational Well Being' Program. Our goal is to implement an Equity & Diversity Program that:
 - creates a workforce that meets business needs by being reflective of our customer base
 - recognises that our workforce consists of a diverse range of employees from different backgrounds, offering a variety of skills and abilities
 - recognises that valuing this difference enhances business performance by better equipping the Corporation to respond to the community it serves

WOMEN OF UTILITIES

- The 1995-96 Utilities Enterprise Agreement made a commitment to developing the full potential of women in Utilities in order to provide the business with a more productive and effective workforce as well as enabling these women to achieve a more satisfying and rewarding work environment.
- 5.4 Utilities Business will continue to implement strategies arising from the 95/96 Enterprise Agreement relating to developing the full potential of women.
- 6. Competencies
- 6.1 The parties are committed to developing and trialing competency based assessment and progression systems during the life of the agreement.
- 7. Performance Management
- 7.1 In accordance with existing performance management systems, managers and employees will enter into mutually agreed performance agreements linked to their work area business plans which will cover as a minimum the following:
 - responsibilities and accountabilities
 - agreed outcomes and measures
 - agreed personal development plans
- 7.2 These performance agreements will be negotiated with all employees within six months of commencement of this agreement.
- 7.3 We agree that a new performance management system will be developed and negotiated during the life of this agreement.

8. Management Development Program

- 8.1 A new development program for management will be established during the life of the agreement. The purpose of the program is to increase the management capability of our management group and provide a clear career development path to senior/executive management.
- 8.2 The objectives of the program are firstly, to identify our current management capability and secondly, to provide a development process to ensure Utilities has the managerial capability/competence and experience, in addition to technical expertise, to tackle the strategic and commercial needs of the present and future direction of the business.

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8.3 The program will result in:

- improved leadership capability
- increased managerial capability of our management group
- improved succession planning to executive levels of management
- increased individual marketability/employability
- The program will be integrated with 'Project Blue Chip', the Utilities 8.4 development program for senior managers.
- The parties will consult on the guidelines and principles for the program prior 8.5 to its implementation.

9. Pay Increases

- 9.1 Increases to rates of pay will be paid, in the event that certain conditions are met, as follows:
 - 9.1.1 An initial increase of 3% will be paid from the date of registration of the agreement. (As per Schedules 1,2 and 3 of Clause 18).
 - 9.1.2 A second payment of 0.5% will be available in relation to customer satisfaction. Of this payment 0.25% is fixed. A further 0.25% will relate to improvements in customer satisfaction as measured by the CSM surveys from June, 1997 to December, 1997. Payment in both cases will be from the first pay period on or after 1 January, 1998. (See clause 14 for details).
 - A third increase of up to 4.5% will be available from the first pay 9.1.3 period on or after 15 August, 1998. This is comprised of a payment of up to 4.25% in the event that productivity targets as specified are met. A fixed component of 0.25% will be available from the same date. (For details see Clause 11, 12 and 13)
- The total pay increases available under this agreement will be a maximum of 9.2 8%.
- During the term of this Agreement, there will be no further pay increases for 9.3 employees covered by the Agreement other than the increases provided for by this Agreement.

10. **Productivity Improvement Payment**

The parties agree that the aim of the Agreement is to increase productivity by 10.1 the introduction of the items contained within this agreement.

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- 10.2 It is agreed that employees, customers and shareholders should benefit from increased productivity.
- 10.3 In addition to productivity improvements generated by other sections of this Agreement, the parties agree that productivity will also be measured using the Agreed Productivity Improvement Model.
- 10.4 The Model contains two indicators viz, Cost Per Property and Accident Frequency, which will be used in determining a productivity payment.
- 10.5 The Model is premised on the achievement of Utilities targets (cost per property) and the accident frequency benchmark determined by Sydney Water Corporation.
- 10.6 Productivity performance will be measured as at 30 June 1998 using the Agreed Productivity Model. A maximum payment of 4.5% will be payable from the first pay period on or after 15 August 1998.

11. Components of the Cost Per Property Index

- 11.1 The Total Operating Expenditure (excluding Depreciation and Financing Charges) figure will be made up of:
 - Labour (salaries, leave, superannuation, workers compensation, agency hire)
 - Materials
 - Service (contractors, electricity, insurance, consultants, licence fees)
 - Transport
 - Property (external leases, building maintenance)
 - Administration (marketing, data management, general expenses, stationery, etc)
 - Services from AWT
 - Services from Sydney Water Corporate areas (internal rent, treasury, finance systems)
 - Water purchases (Bulk Water charges)
 - Waste Water treatment (Waste Water charges)
 - Waste Water Strategy (provision for major maintenance)
- 11.2 The following Items will be deducted from Total Operating Expenditure
 - Wastesafe payments to depots, payments to grease trap processes (This
 area is individually identified in general ledger and forms part of Sydney
 Water's accounts which are audited by the NSW Audit Office)
 - Special Environmental Level (SEL) operating expenditure (This area is tracked by Sydney Water Corporation's SEL Unit. This area is annually audited by the NSW Audit Office)

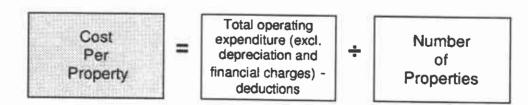
- Transwater Water Charges (These charges can be audited by the systemetered Agreement)
- Industrial Registrar Waste Water Strategy - Provision for major and periodic maintenance (This area is individually identified in general ledger and forms part of Sydney Water's accounts which are audited by the NSW Audit Office)
- Any major policy changes in the way expenditure is accounted for.
- The number of properties is the same as the definition for Serviced Properties for the Operating Licence.
- 11.4 The Total Number of Serviced Properties will be calculated as follows:
 - Total Number of Serviced Properties = Grand Total (Water 11.4.1 Properties)

LESS (Sub totals for dummy ratings, Strata Garage, Unmetered Free Supply, Flats, Dual Occupancy and Super Lots)

LESS (Super Lots-Flats)

ADD (Total number of Flats)

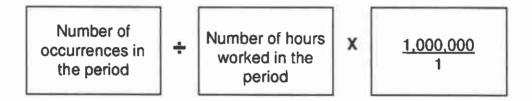
- 11.5 Provision for Application of Cost Per Property Index
 - 11.5.1 The index will be used to measure Utilities Business Adjusted Cost per Property during the life of the enterprise agreement
 - Movements in Utilities Business Cost per Property Index will be 11.5.2 calculated by 29/7/98
 - 11.5.3 The parties will have a right to have an external audit undertaken on the index calculations
 - 11.5.4 Payments arising from the index will be effective from the first pay period on or after 15/8/98
 - 11.5.5 Movements in the Adjusted Cost per Property Index will be measured from 1/7/97 to 30/6/98
- The formula for calculating the Cost Per Property Index follows.





12. Accident Frequency Rate

- 12.1 The accident frequency rate is the number of occurrences of injury or disease for each one million hours worked.
- 12.2 When calculating the accident frequency rate, the following formula will be applied.



- 12.3 The number of occurrences in the period refers to all cases of new lost time/injury/disease which were recorded in the relevant period. The number of hours worked in the period refers to the total number of hours worked by all workers in the business including overtime and extra shifts (actual hours worked).
- 12.4 This indicator focuses on prevention of workplace injury and illness and acknowledges the mutual obligation on the Utilities business (as the employer) and its employees to promote a safe and healthy workplace.
- 12.5 Utilities is committed to implementing a best practice occupational health, safety and rehabilitation system. Our OHS&R program will ensure that workplace risks are continuously assessed and that appropriate controls are in place to ensure that risks are proactively managed. We will ensure that we provide assistance and advice to our employees and work in partnership to return them to their fullest physical, social and vocational capacity following a work related injury or illness.
- 12.6 The index will be used to measure Accident frequency rate during the life of the agreement.
 - 12.6.1 Movements in the Accident Frequency Rate index will be calculated by 29/7/98.
 - 12.6.2 The parties will have the right to have an external audit undertaken on the index calculations.
 - 12.6.3 Payments arising from the index will be effective from the first pay period on or after 15/8/98
 - 12.6.4 Movements in the Accident Frequency Rate index will be measured from 1/7/97 to 30/6/98.



13. Agreed Productivity Improvement Model

13.1 The following model will be used to measure Productivity Improvement, for the purposes of calculating pay increases available under the Agreement.

Agreed Productivity Improvement Model

Cost Per Property	% Pay Increase	Accident Frequency	% Pay Increase
165.24	4.00	25.00	0.25
166.34	3.67	25.38	0.23
167.43	3.34	25.80	0.21
168.52	3.01	26.22	0.19
169.48	2.68	26.64	0.17
170.39	2.35	27.06	0.15
171.30	2.02	27.48	0.13
172.21	1.69	27.90	0.11
173.13	1.36	28.32	0.09
174.05	1.03	28.74	0.07
174.97	0.70	29.16	0.04
175.89	0.37	29.58	0.02
176.81	0	30.00	0

14. Customer Satisfaction Payment

- 14.1 The parties agree that the business must meet its obligations (as varied from time to time) as detailed in its Operating Licence and Customer Contract.
- 14.2 Utilities is committed to providing high level service to our customers. To this end it is agreed that we will measure the ratio of customer satisfaction in the good, very good and excellent brackets of the Customer Service Monitors for Standard and Emergency Contacts with a view to increasing the ratio of good responses into very good and excellent categories.
- 14.3 The base for the calculation will be the WAVE survey conducted in June 1997. Movement against the base calculation will be measured in the WAVE surveys conducted in October and December 1997.

14.4 A payment of 0.5% is available in relation to customer satisfaction. Of that payment 0.25% is fixed. If the ratio, calculated as a result of the June 1997 survey, improves on average in the surveys conducted in October and. December 1997, it is agreed that a payment of 0.25% will be paid. Both payments will be paid from the first pay period on or after 1st January, 1998.

15. Dispute and Grievance Procedures

- 15.1 These procedures provide a framework for questions, disputes or difficulties from either one employee or a group of employees, as sing at the workplace to be settled as quickly and effectively as possible. These procedures must be followed by all parties.
- Managers and supervisors/team leaders notified of a dispute or grievance must discuss the matter with all the necessary people and investigate the matter thoroughly. Employees are responsible for raising their concerns or grievances at an early stage and for providing as much information as possible to assist in an effective resolution.
- 15.3 Employees may withdraw their grievance at any stage during the procedures.
- 15.4 Confidentiality must be maintained at all stages during the procedures.
- 15.5 Normal work will continue while these procedures are being followed, unless there is a legitimate safety problem.

15.6 Step 1 - Notify the Immediate Supervisor/Team Leader

- When a dispute or grievance arises, the employee(s) concerned will notify their team leader or immediate supervisor (in writing or otherwise) of the substance of the matter.
- The team leader/supervisor will arrange a meeting to discuss the matter with the employee(s). This meeting should be held within three (3) working days (or at a time acceptable to the employee(s)). At the meeting the employee(s) will provide details of the matter and any suggested solutions.
- 15.6.3 All efforts should be made to resolve the matter at this step.

15.7 Step 2 - More Senior Leader/Manager

15.7.1 If the matter is not resolved as a result of this meeting, a further meeting shall be arranged with the employee(s), the team leader/immediate supervisor and a more senior manager.



- The employee(s) may request a union representative/consultative committee representative person of their choice to attend the meeting.
- This meeting should take place within three (3) working days of the completion of Step 1 (or at a time acceptable to the employee(s)).

15.8 Step 3 - Involvement of Human Resources Specialists

- 15.8.1 If the matter is still not resolved, the matter may be referred to the appropriate human resource specialist. This should take place within three (3) working days of the completion of Step 2 (or at a time acceptable to the employee(s)).
- 15.8.2 Corporate Human Resources may be contacted for assistance. The matter will then be discussed with local management, the employee(s), their representatives and the corporate branch or unit.
- Depending on the nature and/or severity of the matter, the corporate branch or unit may be involved earlier in the procedures.

15.9 Step 4 - Involvement of Senior Management

- 15.9.1 If the matter is still not resolved, it will be discussed/negotiated between the employee(s), their representatives and senior management (or their representatives).
- 15.9.2 At the conclusion of this step, if the matter is still not resolved, the Management shall provide a response (in writing or otherwise) to the dispute or grievance, outlining the action taken and reasons why the proposed solutions were not implemented. This response should be given to the employee(s) and/or their representatives within three (3) working days of the completion of this step.

15.10 Step 5 - Independent Arbitrator

15.10.1 If the matter is still not resolved the parties may, if they agree, refer the matter to a mutually acceptable mediator or arbitrator.

15.11 Step 6 - Involvement of the Industrial Relations Commission of NSW

15.11.1 If the matter is still not resolved at the conclusion of Step 4, either party may refer the matter to the Industrial Relations Commission of NSW for concilliation and if concilliation fails

arbitration. Matters may only be referred to the Industrial Relations Commission when all steps in these procedures have been exhausted.

15.11.2 When a party decides to notify the Industrial Relations Commission under this step, they must give the other party at least three (3) working days notice of their intention to notify Registered

16. **Employment Security**

- industrial Registrar The base for employment security will result from our ability to meet and 16.1 exceed customer expectations. We need to be flexible and innovative in our delivery of products and services. It means working together to compete for work and market share and providing a return to our shareholders. In achieving these objectives we will develop a strong and secure business and greater security of employment.
- 16.2 The Utilities Enterprise Agreement has been developed to assist in achieving these objectives.

17. Location

The Agreement will operate in the following Branch and Regional Office 17.1 locations and their satellite offices and depots:

Utilities Headquarters, Level 3, 432 Victoria Ave, Chatswood Central Region, 3rd Floor, 564 Princes Highway, Rockdale Illawarra Region, Old Springhill Road, Coniston Northern Region, Level 1, 432 Victoria Ave, Chatswood Greater Western Region, Corner Bigge and Moore Streets, Liverpool Development Services Branch, Level 16, Cnr Pitt and Bathurst Sts, Sydney Utilities Planning Services Branch, Ground Floor, Cnr Pitt & Bathurst Sts, Sydney

Wastewater Source Control Branch, Level 1, 28 Burwood Rd, Burwood Marketing and Customer Services, Level 16, Cnr Pitt & Bathurst Sts, Sydney Network Services, Cnr Lewis Street and Rookwood Road, Regents Park

Enterprise Agreement

18. Utilities Pay Scale

Schedule 1

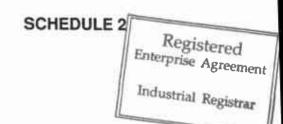
to. Other ay obaid	Schei
Pay Point	Date of commencent/ Hourly Rate \$
2	9.4296
3	9.8785
4	10.3280 10.8312
5	11.3339
6	11.9834
7	12.6328
8	12.8962
9	13.1590
10	13.7106
11	14.0919
12	14.4731
13	14.7848
14	15.0972
15	15.3594
16	15.6216
17	15.8947
18	16.1671
19	16.4505
20	16.7344
21	16.9181
22	17.1017
23	17.2915
24	17.4811
25	17.6745
26	17.8678
27	18.0666
28	18.2653
29	18.4375
30	18.6097
31	18.7867
32	18.9631
33	19.1420
34	19.3208
35	19.5039
36	19.6675
37	19.8742

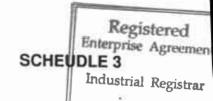
Pay Point	Date of commencent Hourly Rate \$	190
38	20.0615	
39	20.2524	Registered Enterprise Age
40	20.4427	
41	20.6379	Industrial p
42	20.8324	Industrial Registrar
43	21.0311	
44	21.2287	
45	21.4311	
46	21.6329	
47	22.0467	
48	22.4672	
49	22.8968	
50	23.3342	
51	23.7807	
52	24.2368	
53	24.7020	
54	25.1762	
55	25.6596	
56	26.1513	
57	26.6552	
58	27.1687	
59	27.6913	
60	28.2266	
61	28.7709	
62	29.3256	
63	29.8929	
64	30.4704	
65	31.0595	
66	31.6624	
67	32.2750	
68	32.9003	
69	33.5389	
70	34.1890	
71	34.8536	
72	35.5296	
73	36.2208	
74	36.9252	
75	37.6435	

38.3770

Utilities Integrated Water/Wastewater Level 1 - 6

	Hourly Rate
Level 1	
Low	14.9484
High	15.1103
Level 2	
Low	15.3332
High	15.4951
Level 3	
Low	15.8764
High	16.0400
Level 4	
Low	16.5134
High	16.6770
Level 5	
Low	17.8941
High	18.0577
Level 6	
Low	18.9447
High	19.1083





Utilities Single Stream Water/Wastewater Hourly Pay Rates

	Wastewater	Water
Level 3		
Low	15.5651	15.1175
High	15.7255	15.2779
Level 4	B.	
Low	16.1896	15.7423
High	16.3500	15.9027
Level 5		
Low	17.5432	17.0956
High	17.7036	17.2560
Level 6		
Low	18.5732	18.1259
High	18.7336	18.2862

Explanation:

These rates apply to Level 3-6 Single Stream employees.

SIGNED on and behalf of the Utilities Business of the Sydney Water Corporation
Limited by Karen Waldman on the 11 day of July 1997.and in the presence of:-

Registered
Enterprise Agreement
Industrial Registrar

Kaien Waldman

Tim Rodney

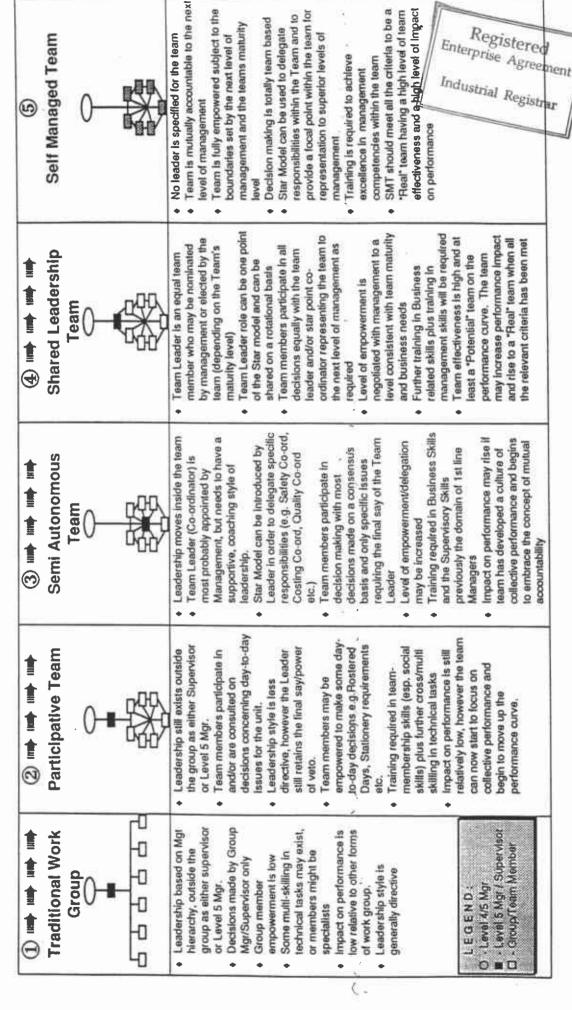
Utilities HR Manager

SIGNED for and on behalf of the Australian Services Union of New South Wales by Alison Peters on the 11th day of July, 1997 and in the presence of:-

alison Peters

John Tierney
Assistant Secretary
Australian Services Union of
New South Wales

Agreed Utilities Teamwork Model



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