From: People & Culture
To: People & Culture

Subject: Update on the ABC Review into Buyouts and Band 1 Classifications – July 2021

Date: Tuesday, 13 July 2021 11:33:43 AM

Attachments: <u>image001.jpg</u>

FAOs - ABC review into buyouts and Band 1 classifications.pdf

This message has been sent to managers of employees who are currently on buyouts, managers of employees who have been on Band 1, all Executive employees, and rosterers.

Dear Colleagues,

We last wrote to you in May 2021 with an update on the ABC's review into Band 1 classifications and buyout arrangements.

Since then, we've made significant progress in finalising the model that will calculate historic employee entitlements. We have scheduled a meeting with the Fair Work Ombudsman in mid-July 2021 to provide them with an update on the review, and to outline our approach for accurately determining all relevant entitlements.

Following the meeting with the Fair Work Ombudsman, we will let you know of any impact on the timeline for finalising the review and providing employees with their individual outcomes. At this stage we expect to notify Band 1 and Buyout employees at the same time. We will confirm this in due course.

We will be communicating with both groups of employees today to provide them with an update on the status of the review.

There will be an opportunity for employees to provide feedback and discuss their individual circumstances with People & Culture representatives before outcomes are finalised. P&C will also support managers with any discussions they need to have with impacted employees. We expect that the outcome of this review will in some circumstances be complex and possibly contentious. We are working through those aspects to ensure we are able to support managers and staff through a complex change process.

We will also continue to have discussions with the unions to keep them updated on developments in the review.

Questions

Please find attached Frequently Asked Questions. If you have any additional questions, please contact the <u>People & Culture Helpdesk</u>.

Please forward this to the people in your team who need to know.

Regards, Monica

Monica Vagg

a/Chief People Officer People & Culture

ABC	
	We acknowledge Aboriginal and Torres Strait Islander peoples as the First Australians and Traditional Custodians of the lands where we live, learn and work.



ABC REVIEW INTO BUYOUTS AND BAND 1 CLASSIFICATIONS

Frequently Asked Questions

January 2021

GENERAL

1. What is this review about?

The ABC takes very seriously its obligations to ensure all employees are paid correctly. The recent <u>Flat Rate Casual Remediation</u> has highlighted the need to regularly review the wages and other entitlements of ABC employees to ensure that these obligations are being met. That is why the ABC is reviewing the wage records of employees who have been paid a buyout and employees engaged at a Band 1 classification to ensure that they have and are being paid the correct amounts under the current and former ABC Enterprise Agreements.

2. How long will the ABC's review take?

It's expected the review will take at least several months to complete. We are reviewing payroll records for all potentially affected employees and this requires time to ensure we are as thorough as possible. We are notifying current and former employees who are included in the review and will keep you informed.

3. How many Band 1 and/or buyout employees are being reviewed?

Currently we are reviewing buyouts for approximately 1700 current and former employees, and approximately 250 current and former employees who are or were classified at Band 1, and who were engaged by the ABC since 1 July 2014.

4. What do I have to do?

You do not have to do anything at this stage. You should have received an email notifying you of the review and we are committed to keeping you informed as the review progresses.

5. Will I be included in the ABC's review if I am no longer an ABC employee?

Everyone employed by the ABC at Band 1 or who was paid a Buyout from 1 July 2014 until the review is completed will be included in the review.

6. Do I need to be part of the union or contact the union to be included in the ABC's review?

No. The ABC is including all employees in the review who were engaged as a Band 1 employee or paid a buyout from 1 July 2014 until the review is completed. However, you can contact the MEAA or CPSU at any time. The ABC will be meeting and corresponding with both the MEAA and the CPSU about this issue.

7. Who will be conducting the review?

The review will be conducted on an organisation-wide basis and will include people from People & Culture, Finance and Payroll Services as well as managers of employees who are being reviewed. We have also engaged Price Waterhouse Coopers (PwC) to assist.

8. Why has the ABC engaged PwC?

Given the size and complexity of the review, the ABC has engaged PwC to assist with the review based on their experience and capabilities in undertaking this type of work.

9. Has the Fair Work Ombudsman been notified of the ABC's review?

Yes. The Fair Work Ombudsman has been notified that we are conducting a review of Band 1 employees and employees on buyouts.

BAND 1 CLASSIFICATION REVIEW

1. What is a Band 1 classification?

All employees covered by the ABC Enterprise Agreement must be assigned to a role that is correctly classified and graded according to the Work Level Standards (WLS). The WLS provide a framework for valuing work. They indicate the standards for each of the nine salary bands and provide guidance on the tasks, activities and capabilities required for different functions and roles.

Under the WLS, roles are classified as either:

- Content Maker
- Administrative/Professional
- Technologist

Roles which are classifed as Content Maker or Administrative/Professional are graded from Band 1 to Band 9. Technologists are not permitted to be engaged at Band 1 and the ABC has already completed a review of Band 1 Technologists.

2. Why is the ABC reviewing Band 1 classifications for employees engaged in Content Maker or Administrative/Professional roles?

Band 1 is generally the most appropriate classification for an entry level employee with no prior relevant experience. The duties they are assigned are basic and they are closely supervised while they perform the role. Once a Band 1 employee has acquired sufficient experience and new skills, it will often be appropriate for them to be assigned to a higher band classification.

As the WLS don't set a specific time frame when progression to a higher band level must occur, this can result in a Band 1 employee being underpaid if their classification is not reviewed at the correct time.

3. How do I know if I was on Band 1?

You should check your ABC employment contract or engagement letter for specific details of the role and WLS classification you are currently engaged on. If you have been enaged to perform more than one role with the ABC, you will need to check all previous and current engagement letters.

Alternatively, you can contact People & Culture and ask them to check your employment history with the ABC to see if if you have ever been engaged on a Band 1 classification.

4. I was previously in a Band 1 role - will I be included in the ABC's review?

Yes. Everyone who has been in a Band 1 role at any point in time during the review period (from 1 July 2014 until the review is completed) is included in the ABC's review, even if you are no longer an employee or no longer in a Band 1 role.

5. How is the ABC going to conduct the review?

The review will involve confirming the period/s you were engaged at Band 1 and then confirming whether a Band 1 classification was appropriate for the role you were performing during that time.

BUYOUT REVIEW

1. What is a buyout?

The ABC engages some of its employees on annualised salaries, known as 'buyouts'. A buyout is an annual agreement in which an employee agrees to be paid a fixed loading (a buyout) in lieu of other entitlements for hours of work, rosters and changes to rosters, special rates, shift penalties, overtime and/or allowances. An employee who is paid a buyout must receive at least four free days per fortnight, and they must be better off on the buyout than they would be if they were paid penalties, overtime, allowances, etc under the ABC Enterprise Agreement.

2. Why is the ABC reviewing buyouts?

The approriate amount of fixed loading (buyout) is determined through an estimate of the payments an employee would be entitled to based on the pattern of hours it's expected that they will work for the 12 months ahead. Because a buyout is based on estimated hours, if an

employee's pattern of hours changes unexpectedly throughout the year, their buyout needs to be reviewed to ensure that the employee is still better off overall.

The ABC is reviewing all buyout arrangements since 1 July 2014 to ensure that this 'better off overall' requirement has been met for each employee paid a buyout.

3. Why does the ABC use buyouts?

Buyouts are permitted under the ABC Enterprise Agreement and can provide benefits to both the ABC and the relevant employee. A buyout arrangement can provide the ABC with rostering and resourcing flexibility in relation to an employee who experiences large fluctuations in the hours they work throughout the year. The same employee benefits by receiving a consistent salary throughout the year, regardless of the hours they work.

4. Will I be included in the ABC's review if I am no longer on a buyout and/or no longer an employee?

Yes. Everyone who has been on a buyout at any point in time during the review period (from 1 July 2014 until the review is completed) is included in the ABC's review, even if you are no longer an employee or no longer on a buyout.

5. Is the ABC going to stop the use of buyouts?

The ABC does not intend to completely stop the use of buyouts. There are are situations where buyouts are suitable, for example for employees who have fluctuations in hours during the year so they receive a consistent salary from fortnight to fortnight.

FURTHER INFORMATON

If you have any other questions about the review, please email the People & Culture Helpdesk (peopleandculture@abc.net.au).