

From: [Cassie Botha](#)
To: s47F
Cc: [Vanessa MacBean](#); [Amy Fox](#)
Bcc: [LEGAL - Buyout and Band 1 Review 2020 - 20130021 Emails](#)
Subject: FW: Update on the ABC Review into Buyouts and Band 1 Classifications – August 2021 [ABC-PAL.FID37968]
Date: Monday, 30 August 2021 3:00:21 PM
Attachments: [image001.jpg](#)
[FAQs-ABC-review-into-buyouts-and-Band-1-classifications-updated-August-2021.pdf](#)

Hi s47F

Hope you're off to a good start to the week.

We're just finalising the attachments that will accompany our response to the FWO request for information and I will update you again today on when you can expect to receive the documents.

In the meantime, please find below a copy of an employee communication that was circulated last Thursday in relation to the Band 1 and Buyouts Review. The email included an updated FAQ document (**attached**) to the version that was shared with the FWO in January 2021. A copy of the communication has been shared with the CPSU and MEAA.

If you have any questions about the information in the email, please let us know.

Kind regards,

Cassie



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

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From: People & Culture <@..>
Sent: Thursday, 26 August 2021 1:57 PM
To: People & Culture <@..>
Subject: Update on the ABC Review into Buyouts and Band 1 Classifications – August 2021

This message has been sent to all current and former employees who are included in the Buyout and Band 1 review.

Dear all,

We wrote to you last month about the progress of the ABC's review into Band 1 classifications and buyout arrangements.

I can now confirm that our review has identified that some employees have been underpaid. Other employees are on buyouts that sufficiently cover or exceed their entitlements, and there has been no underpayment. We are not yet able to confirm the exact underpayment amounts or the individuals impacted. We will continue to work through these details over the coming weeks.

We deeply regret that some employees have been underpaid and are committed to those employees receiving backpay as soon as possible.

We are currently finalising the review and anticipate being able to notify employees of the specific outcomes of the review from the end of September 2021. You will receive a letter confirming whether you have been underpaid and are owed backpay, or whether you have been sufficiently paid.

Once you have received your notification letter, there will be an opportunity for you to provide feedback and discuss your particular circumstances before any individual outcomes are finalised. Your notification letter will set out how this process will work.

We have notified the Fair Work Ombudsman of this development. We have been meeting with the unions regularly throughout this review and will be providing an update to the unions again shortly.

Questions

Please find attached updated Frequently Asked Questions. If you have any additional questions, please contact the [People & Culture Helpdesk](#).

Thank you for your continued patience and we will update you again soon.

Regards, Monica

	<p>Monica Vagg a/Chief People Officer People & Culture</p> <hr/> <p>We acknowledge Aboriginal and Torres Strait Islander peoples as the First Australians and Traditional Custodians of the lands where we live, learn and work.</p>
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BUYOUT AND BAND 1 REVIEW

FREQUENTLY ASKED QUESTIONS

Last updated:	August 2021
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GENERAL

1. What is this review about?

The ABC takes its obligation to ensure all employees are paid correctly very seriously. The [Flat Rate Casual Remediation](#) in 2019 highlighted the need to regularly review the wages and other entitlements of ABC employees to ensure that this obligation is being met.

That is why the ABC is reviewing the wage records of employees who are or were on an annual buyout, a buyout for short term distant assignments and special events or a salary package (**Buyout Arrangements**), and employees engaged at a Band 1 classification between 1 July 2014 to 20 June 2021 (the review period).

The purpose of the review is to ensure that those employees have been paid the correct amounts under the current and former ABC Enterprise Agreements.

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

The review commenced in January 2021 and is still underway.

We are reviewing the payroll records of all potentially affected employees and this requires time to ensure we are as thorough as possible. We are also working closely with PricewaterhouseCoopers (PwC) to develop a robust calculation model that will accurately determine employee entitlements under the current and former ABC Enterprise Agreements.

All current and former employees who are included in the review are receiving regular updates on the review's progress

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

We are reviewing buyout arrangements for approximately 1800 current and former employees, and approximately 250 current and former employees who are or were classified at Band 1, between 1 July 2014 and 20 June 2021.

4. What do I have to do?

You do not have to do anything at this stage. We will keep you informed as the review progresses.

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

Yes. Everyone who has been in a Band 1 role or engaged on a buyout arrangement at any point during the review period (from 1 July 2014 until 20 June 2021) is included in the ABC's review. This includes people who are no longer employed by the ABC.

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

No, we are reviewing the entitlements of all employees who have been on a buyout or in a Band 1 role during the review period. However, if you wish to do so you can contact the MEAA or CPSU at any time. The ABC will continue to meet and correspond with both the MEAA and the CPSU about the review.

7. Who will be conducting the review?

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

8. Why has the ABC engaged PwC?

Given the size and complexity of the review, the ABC has engaged PwC to assist 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 ABC provides regular updates to the Fair Work Ombudsman on the review. We have also advised the Fair Work Ombudsman that our review to date has found that some of our employees on a buyout arrangement or Band 1 classification have inadvertently been underpaid.

10. When will the review be finalised? When will I receive back pay if I have been underpaid?

We anticipate finalising the review and providing individual employees with an outcome by letter around the end of September 2021.

At that time, you will have an opportunity to provide us with any additional relevant information and to ask questions about your individual review outcome.

11. Will back payments include interest? What about superannuation and tax?

Yes. Interest will be paid if there is a back pay amount owed to you. Any superannuation payable on a back payment will be paid into your nominated superannuation fund/s. The ABC would also normally withhold tax on a back payment in accordance with ATO requirements.

More details on superannuation and tax components will be provided to you if the outcome of the review finds that you have been underpaid.

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 classified 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 do not 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 were or are currently engaged on. If you have been engaged 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 you have been engaged on a Band 1 classification during the review period (from 1 July 2014 to 20 June 2021).

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 during the review period (from 1 July 2014 to 20 June 2021) 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 determine whether Band 1 was a correct classification?

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. We will obtain all available information on our systems and payroll files and speak with relevant managers at the ABC.

6. I was in a Band 1 role – have I been underpaid?

Not necessarily. Our review will include checking whether a Band 1 classification was appropriate for the role you were performing during each engagement period. There are roles at the ABC in which Band 1 is an appropriate classification; for example, entry level positions which require no prior experience and the duties are basic and closely supervised.

BUYOUT REVIEW

1. What is a buyout?

The ABC engages some of its employees on annualised salaries, known as 'buyouts'. A buyout arrangement 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. A buyout arrangement includes employees who are on an annual buyout, a buyout for short term distant assignments and special events or a salary package.

An employee on a buyout arrangement must receive at least four free days per fortnight, and they must be better off on the buyout arrangement 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 appropriate amount of fixed loading (the buyout) is determined through an estimate of the payments an employee would be entitled to, based on the pattern of hours it is expected that they will work for the 12 months ahead. Because a buyout amount is based on estimated hours, if an employee's pattern of hours changes unexpectedly throughout the period of the buyout, their buyout arrangement needs to be reviewed to ensure that the employee is still better off overall for the period.

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 in specific circumstances 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 arrangement at any point during the review period (from 1 July 2014 to 20 June 2021) is included in the ABC's review, even if you are no longer an employee or no longer on a buyout arrangement.

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 certain situations where buyout arrangements may be suitable, where they are properly calculated and checked, and have been approved by the appropriate delegate.

6. I am currently on a buyout - am I being underpaid?

Not necessarily. As part of the ABC's review, we will identify which employees were better off overall on a buyout arrangement (in which case there is no underpayment), and those where this requirement has not been met.

We will let you know the findings of our review in the coming months as it relates to you and your buyout arrangement, and you will have an opportunity to provide any relevant additional information.

7. I am currently on a buyout - will my buyout be terminated?

Buyouts are individual arrangements and any discussions about ceasing or adjusting buyouts will occur on an individual basis. If the review has found that you have not been better off overall under a buyout arrangement, the ABC may have a discussion with you about ceasing your buyout, to ensure that going forward you receive adequate pay for your entitlements. If there has been no underpayment, the ABC may still talk to you about ceasing or adjusting the amount of your buyout. This would be done in line with the ABC Enterprise Agreement.

The ABC Enterprise Agreement requires the ABC to monitor buyout arrangements so that if an employee's pattern of ordinary hours of work changes during the period of the agreement, the loading is found to be wrongly calculated or extraordinary events have intervened, the buyout arrangement may be reviewed and the rate changed by agreement to reflect the new circumstances, or the buyout arrangement will be terminated.

If the ABC proposes to change your buyout amount or terminate your buyout, you will be contacted individually in relation to this, and be given adequate notice to allow you the time to ask questions and raise any concerns.

FURTHER INFORMATION

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