



The Fair Work Ombudsman  
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Dear Fair Work Ombudsman

## **Geoscience Australia**

I am writing to inform you of the steps being taken by Geoscience Australia to remedy past errors in the payment of remuneration and superannuation to shift worker employees.

### **Background**

In late 2020, a shift worker employee raised a question regarding the calculation of their superannuation entitlements. A review of those calculations by Geoscience Australia prompted a more thorough investigation into the calculation of their base pay, penalties and superannuation under the current *Geoscience Australia Enterprise Agreement 2019-2022*.

To ensure our current and former shift worker employees working in our National Earthquake Alerts Centre in Canberra, and at our Geodetic Observatory in Yarragadee, Western Australia receive all their entitlements and conditions, we furthered the scope of our enquires and identified that there may be errors in the calculation of shift worker remuneration.

We are therefore notifying you that some of our shift worker employees may not have received all of their entitlements to shift penalties, overtime and superannuation in accordance with current and past Geoscience Australia enterprise agreements.

### **Actions being taken**

Geoscience Australia wishes to ensure that employees receive all of their employee related entitlements. As such, we are taking steps to assess and rectify any errors in the payment of remuneration and superannuation to employees who have performed shift work since August 2011. These steps are:

1. Identifying the number of current and former employees that could be affected, which we have determined to be no more than 23 employees at the time of writing this letter.
2. Engaging professional legal services from the Australian Government Solicitor to provide advice as to the correct interpretation of the enterprise agreements covering this period, for the purposes of calculating entitlements to remuneration and superannuation.
3. Engaging independent professional accounting services to calculate the amount, if any, of remuneration and superannuation owed to individual employees, commencing from 31 August 2011 to date. This procurement is underway.
4. Communicating on a fortnightly basis with affected shift worker employees to provide regular updates and to maintain good workplace relations.

5. Providing ongoing support to affected shift worker employees through our employee assistance program, which includes free counselling, and through Human Resources.
6. Briefing Geoscience Australia's Audit and Risk Committee, that have responsibility for the management and implementation of all review findings and if required, remedial actions.

### **Actions to be taken**

Geoscience Australia will be discussing the issue and the steps being taken with its workplace consultative committee, which includes employee representatives and union delegates. The next meeting of the Workplace Relations Committee is scheduled on 10 June 2021.

Once we have received our advice and ascertained what amounts, if any, are owed, we will:

1. meet with the affected shift worker employees to explain the process that was undertaken to identify and assess any underpayment of remuneration and superannuation
2. write to each shift worker employee setting out the amounts, if any, that are due to be paid to them and to the relevant superannuation fund
3. make those payments through its payroll system as soon as practicable
4. write to the relevant superannuation fund to request it calculate the amount of any interest that should be paid into an affected employee's superannuation fund by Geoscience Australia
5. upon receiving that advice from the relevant superannuation fund, make those payments as soon as practicable
6. correct any identified payroll system errors
7. advise the Fair Work Ombudsman of the completion and outcome of the review, once any and all payments have been made
8. notify the Australian Taxation Office, as required, of any payments made.

Geoscience Australia is taking this matter seriously. At this stage we cannot anticipate a timeframe for this process; however, we are balancing expediency with accuracy to ensure current and former shift worker employees receive all owed entitlements.

To ensure all our employees are correctly paid in the future, we will:

1. provide revised instructions to our payroll team regarding the calculation and payment of entitlements to employees covered by the enterprise agreement who perform shift work
2. undertake a management initiated review within three months after the conclusion of this matter to ensure that any payroll system errors have been fully rectified
3. address the findings of the management initiated review with the Department of Industry, Science, Energy and Resources' Shared Services Hub who provide our payroll service.

If the Fair Work Ombudsman has any questions regarding the above, please contact me via email;

**S22** @ga.gov.au.

Yours sincerely

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Chief Human Resources Officer

# Overview

## Background, scope and key findings

### Background

Geoscience Australia ('Geoscience') has been made aware of concerns regarding potential non-compliance with the enterprise agreements which employees are covered by, specifically, whether the entitlement amounts paid to selected employees who perform shift work are appropriate.

To evaluate these concerns Geoscience has undertaken an assessment of employees engaged by the Australian National Earthquake Alerts Centre ('NEAC'), to assess and validate the entitlements paid by Geoscience.

### Scope of the engagement

KordaMentha has assisted Geoscience with the assessment of NEAC employees who performed shift work between the period 31 August 2011 - 10 November 2021 ('Review Period'). This Review Period is covered by Geoscience Australia Enterprise Agreement 2011 - 2014 ('2011 EA'), Geoscience Australia Enterprise Agreement 2016 - 2019 ('2016 EA'), and Geoscience Australia Enterprise Agreement 2019 - 2022 ('2019 EA'), (collectively 'the Instruments').

Geoscience advised that there were a total of 11 NEAC employees in scope for assessment. Of these employees, 10 appear in the Time & Attendance/Roster data provided for the Review Period and a further one employee was later excluded from our analysis on the basis that they did not perform shift work during the Review Period. Ultimately, 10 employees' shift-work activities were assessed in the Review Period.<sup>2</sup>

In accordance with our engagement instructions<sup>3</sup>, KordaMentha's assessment included:

- recalculation of in scope employees' remuneration according to the Instruments;
- comparison of the recalculated remuneration against the remuneration recorded in Geoscience's payroll data over the Review Period and quantification of potential underpayments for each employee on a roster and annual basis;
- recalculation of in scope employees' annual leave accrual according to the Instruments;
- comparison of the recalculated annual leave accruals against the annual leave accruals recorded in Geoscience's payroll data over the Review Period and quantification of potential under accruals for each employee;
- recalculation of in scope employees' superannuation contributions (quarterly), according to the fortnightly contribution salary (FCS) and ordinary time earnings (OTE); and
- comparison of the FCS and OTE-based superannuation contribution amounts against that recorded in Geoscience's payroll data, quantifying any potential superannuation shortfall on a quarterly basis.

<sup>1</sup> Refer to Appendix C item 39 for the population of NEAC employees included in our assessment. Further details are in Stage 1 - Identification of in-scope employees.

<sup>2</sup> This remuneration assessment has only been conducted for periods in which employees conducted shiftwork. This assessment has excluded non-shiftwork periods for the employee remuneration assessment.

<sup>3</sup> Refer to Appendix A for the instructions from AGS.

### Key findings

#### Remuneration

Based upon our calculations of employees' remuneration over the Review Period compared to that recorded in the Geoscience payroll data, we have noted, for the 10 employees assessed, a potential remuneration underpayment to all employees. The potential remuneration underpayment has been calculated on an annual and roster basis for each employee. A summary of these calculations is tabled below:

Assessment interval	Description	Affected employees	Potential Remuneration Underpayment amount
Annual	Employee level annual remuneration assessment	10	[REDACTED]
Roster	Employee level roster remuneration assessment	10	[REDACTED]

#### Annual leave accruals

For the Review Period we have calculated a potential under-accrual in annual leave for 10 employees. A summary of these accruals is tabled below:

Review dates	Employee categories	Affected employees	Potential Annual leave Under-Accrual (hours)
1 January 2012 - 10 November 2021	Shiftwork periods	10	[REDACTED]
1 January 2012 - 10 November 2021	Non-shiftworker periods	10	[REDACTED]

Recalculation of leave accruals was applied to the periods within the Review Period for which leave accruals were available in the source data.

Details regarding the recalculation of annual leave accruals and associated balances are provided in Appendix B.

#### Superannuation

We have identified a potential under-contribution of FCS superannuation for 10 employees based upon our calculations of superannuation contributions payable to NEAC employees over the Review Period. A potential under-contribution on a superannuation guarantee basis was identified for one employee (1), but was a smaller variance than the FCS basis.

Review dates	Calculation basis	Affected employees	Superannuation potential under-contribution amount
1 October 2011 - 30 September 2021	FCS calculation	1	[REDACTED]

#### Methodology

For further information regarding the execution of the methodology and assumptions, please refer to the subsequent sections of the report. For a full listing of calculations per employee, per period, please refer to Appendix B.