

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 18 NEAC employees in scope for assessment¹. Of the 18 employees, 17 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 16 employees' shift-work activities were assessed in the Review Period².

In accordance with our engagement instructions³, 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.

¹ 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".

² 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.

³ 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 16 employees assessed, a potential remuneration underpayment to all 16 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	Remuneration Potential Underpayment amount
Annual	Employee level annual remuneration assessment	16	-\$151,086.71
Roster	Employee level roster remuneration assessment	16	-\$400,241.88

Annual leave accruals

For the Review Period we have calculated a potential under-accrual in annual leave for 9 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	9	-398.8
1 January 2012 – 10 November 2021	Non-shiftworker periods	2	-33.8

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 to 13 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 (██████████) 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	13	-233,276.89

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.

