



Frequently Asked Questions for remediation payments to current and former employees

Size of remediation, how issues arose, remediation period

Q: How many employees in total are affected by the remediation?

A: There are approximately 175 current employees affected.

There are around 457 former employees affected.

The number of employees affected is the total over the remediation period being 17 July 2016 – 08 January 2023.

Q: How have these issues arisen?

A: Primarily the causes relate to the incorrect application of the *Educational Services (Post-Secondary) Award 2020 (the Award)* coverage and minimum entitlements.

Q: How long has Acknowledge Education known about the issues?

A: A potential issue first came to UP Education's attention during the process of undertaking due diligence to acquire Acknowledge Education. Following the acquisition of Acknowledge Education, we conducted a broader, more detailed review to identify any potential issues, before engaging experts from Deloitte in December 2022 (a consultancy firm) to complete an entire review.

Q: What issues have been identified that resulted in a remediation payment?

A: The issues we have identified across the different categories of the Award covered employees are:

- The Award minimum payment entitlements not being applied when they should have been; and
- Employees classified at the incorrect classification level under a modern award, or not classified at all.

Q: Why did Acknowledge Education start examining this issue?

A: Following Acknowledge Education being acquired by UP Education, we conducted a broader, more detailed review to identify any potential issues, before engaging experts from Deloitte in December 2022 (a consultancy firm) to complete an entire review.

Q: Why does the review only go back to 2016?

A: The review goes back 6 years ensuring we cover our legal obligations under the Award.

Q: How can I be sure the issues have been fully investigated?

A: Acknowledge Education engaged experts from Minter Ellison (a law firm) to work with Deloitte (a consultancy firm) to assist with data analysis, remediating employees and ensuring the approach was correct. In addition, there has been a team of employees with dedicated time to the project.

Q: What is being done to update on-going compliance?

A: We have provided updated contracts outlining Award coverage and appropriate entitlement rates to ensure staff are being paid correctly. We also ensured that all rates of pay were correct from January 2023.

Under UP Education's ownership, all HR information systems, payroll systems and processes across Acknowledge Education are enhanced. This includes an annual HR audit to ensure all rates are reviewed against updated minimum wages as they increase.

UP Education also has processes in place to ensure that HR and payroll systems are up to date and compliant.

Timing of payments

Q: Will all payments be made to current employees in August?

A: The remediation process is being undertaken in stages.

Payments will be made to current employees first. These payments will be made commencing in August and the majority of employees will receive payments by the end of August.

Q: What about former employees? What is the timing for payments to them?

A: Acknowledge Education has also completed the analysis for former employees. It will make these payments after paying current employees. Making payments to former employees will take longer given the need to contact them and verify their bank account details for payments.

However, it is a priority for us to ensure these payments are made as soon as possible and we anticipate making the majority of payments before the end of the calendar year.

Questions about the payment notified to employees

Q: I have been notified that I was underpaid but I have some questions about how the amount was calculated. What do I do?

A: If you have any questions about how the amount of the underpayment was calculated, please email remediation_ae@up.education as soon as possible and a member of the team will respond to you.

Q: I received a letter notifying me of my classification. What does it mean?

A: The Award has levels for different roles. The levels are called classifications.

We have undertaken a process of assessing your classification based on payroll data and known general employment practices. The classification we consider appropriate for your role has been applied to your remediation payment. If you have held multiple roles during your employment with Acknowledge Education, we have used the highest classification you had to calculate your remediation payment (this approach is beneficial to employees).

If you are a current employee, your current employment contract should include your current classification.

Q: The letter I received only covers one of my positions, however I worked in several positions during my time in Acknowledge Education?

A: It is possible that if you have held a number of different award covered positions throughout your employment during the review period (e.g., you were a teacher/tutor and then became a general staff member, or vice versa), that you have had multiple classifications during your employment. We have used your highest classification to calculate your remediation payment.

Superannuation, tax and interest

Q: Will I be back paid superannuation?

A: Any superannuation payable on the remediation payment has been calculated at 11% and will be paid into your nominated superannuation fund.

Q: What happens if the superannuation means I exceed the superannuation contribution cap for this financial year?

A: If you exceed the superannuation contribution cap for this financial year, it means you will pay more income tax due to the superannuation paid on the remediation payment. In these circumstances, you may ask the ATO to apply the superannuation amount to prior financial years. Based on the ATO rules, we are unable to request this on your behalf.

Q: What about any interest on my superannuation?

A: We have calculated interest on superannuation contributions at 10%. Interest on your superannuation will be paid directly to you.

Q: My letter says interest will be paid but doesn't specify an amount of interest. What interest rate is being applied?

A: Interest on your remediation payment is being applied a variable interest rate on the total underpayment amount per year (cumulative from year to year) using the Federal Court's pre-judgement interest rates for each relevant year from 1 Jul 2016 to 31 Dec 2023. For most back payments, interest will be calculated until 1 July 2023.

External bodies/customers/media

Q: Has the Fair Work Ombudsman been notified?

A: Yes. Acknowledge Education voluntarily disclosed these issues to the Fair Work Ombudsman and will work constructively with the Ombudsman as they review Acknowledge Education's approach.

Q: What do I say if a student asks me about the issue?

A: Please explain that you are not qualified to speak about the issue. If the student has a specific concern, please advise them that they can contact remediation_ae@up.education

Q: What if I am contacted by the media?

A: In accordance with Acknowledge Education's practice, any media enquiry must be immediately referred to Chien Vu, Acknowledge Education CEO on +61 424 383 868.

Q: Can I engage on Social Media in relation to this issue?

A: In accordance Acknowledge Education's Code of Conduct, you may not directly or indirectly, make or cause to be made, any disparaging comment or publish disparaging material about the group, its employees, suppliers, customers, student of any other associated part, that could bring the group in disrepute (including on social media) at any time during or after your employment.

Any concerns, please email remediation_ae@up.education