

TEACHER AND EDUCATOR INFORMATION SHEET 4/2013

THE WAGE OFFER AND CONSUMER PRICE INDEX

Much has been said about whether the wage offer covers the Darwin CPI. This information sheet clarifies the situation.

Note: References to 'the current agreement' are referring to the [Northern Territory Public Sector Teacher and Educator 2010-2013 Enterprise Agreement](#).

CPI EXPLAINED

The CPI is measured in more than one way.

The Department of Treasury and Finance (DTF) measures and reports on annual CPI in two ways. The first is what is called an 'annual calculation' and is a quarter to quarter comparison (eg the rate for the June quarter 2012 compared with the June quarter 2013). The second is called a 'year on year' calculation which compares the 4 quarters in 2011-12 to the 4 quarters in 2012-13. Both are valid, however the year on year measure of inflation is more stable and reflects the longer term growth and movement in CPI.

THE CURRENT PAY INCREASE AND CPI

The 3% per annum salary increase exceeds the average Darwin CPI over the agreement period:

	2013/14	2014/15	2015/16	2016/17	Average
Forecast^ CPI %	3.6	2.7	2.5	2.8	2.9
Pay increase % p.a.	3.0	3.0	3.0	3.0	3.0

^The CPI forecast above is from the Department of Treasury and Finance's Deloitte Access Economics June Quarter 2013 economic brief.

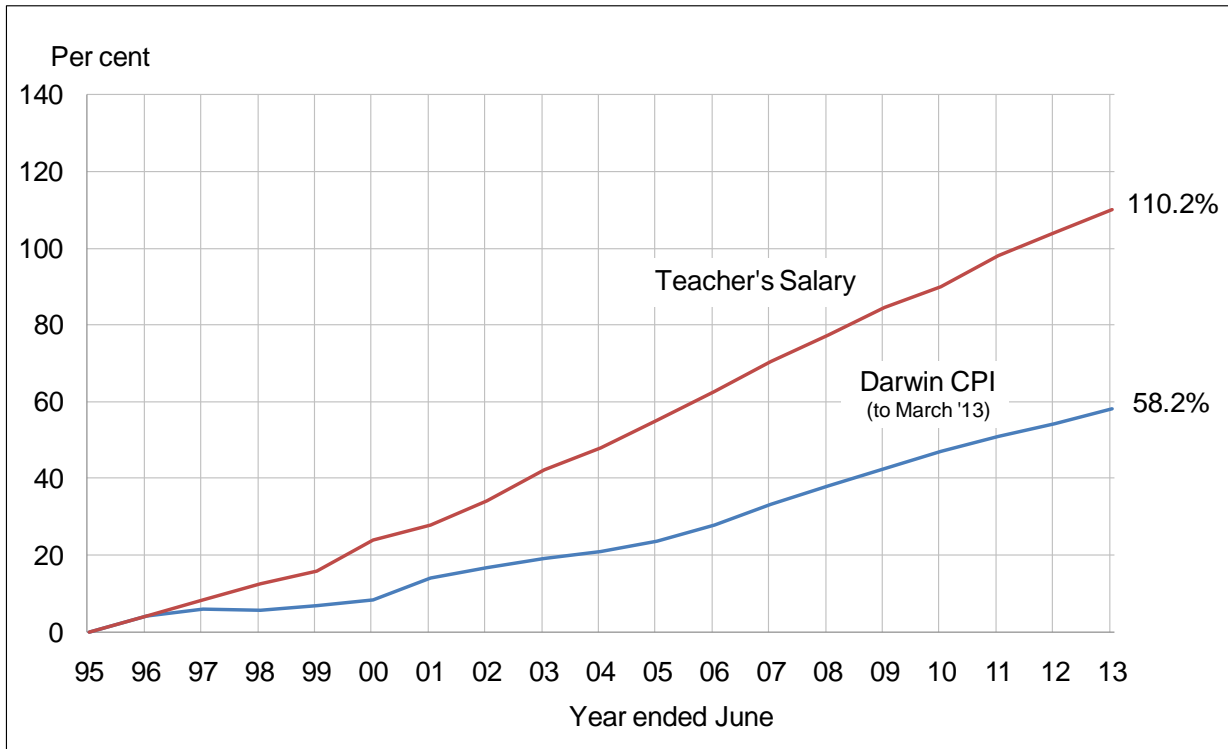
Compounded, the pay increase totals 12.55% over the period of the proposed agreement.

It has been reported in the media that the Darwin CPI figure for June 2013 was 3.9%. This is the annual calculation but also refers to the previous 12 months (June 2012- June 2013) whereas the salary increase within the offer considers predicted CPI over the term of the proposed agreement.

The offer, in addition to the pay increases, provides for the increases to the Superannuation Guarantee (SG). The effect of the NTPS offer means that an extra 2% will go to eligible NTPS employees not already receiving the minimum SG amount through membership of a defined benefit scheme over the agreement period.

PREVIOUS INCREASES AND CPI

The following graph provides a comparison of the percentage increases to NTPS Teacher base salaries under the previous Teacher and Educator enterprise agreements and the percentage increase to the Darwin CPI. This graph shows that since 1995, NTPS salaries have increased by 52.0 percentage points more than the cumulative increases in the CPI over the same period



COMPARISON OF NT TEACHER SALARIES ACROSS OTHER JURISDICTIONS

The proposed salary increase of 3% per annum will result in NT Teachers remaining the second highest paid teachers across other public sector jurisdictions in Australia (see [Information Sheet 2 / 2013](#)).