

## MEDICAL OFFICERS' INFORMATION SHEET 1/2013

### EMPLOYER OFFER 7 NOVEMBER 2013

This information sheet outlines the terms of the Commissioner for Public Employment's "without prejudice" offer which was made to the Australian Salaried Medical Officers' Federation on 7 November 2013 for a new enterprise agreement to replace the Medical Officers Northern Territory Public Sector 2011–2013 Enterprise Agreement, which is due to expire on 31 December 2013.

To address the rising budget deficit the Northern Territory Government has had to implement a tighter fiscal strategy to bring expenditure under control. This strategy is reflected in the Budget handed down in May this year.

In response to current financial pressures, the Northern Territory Government has approved the [Northern Territory Public Sector Wages Policy 2013 - 2016](#) (the Wages Policy). The objectives of the Wages Policy include:

- ensuring costs arising from bargaining outcomes are kept within the Government's fiscal parameters; and
- delivering increased efficiency, effectiveness, savings, service outcomes and workplace reform across agencies (efficiency measures).

Of particular note is that the total overall cost of an agreement outcome (including the cost of salary and allowances, salary restructuring, changes to conditions etc.) is capped at 3 per cent per annum and is subject to efficiency measures being achieved.

New agreements will not be able to contain provisions that restrict the government's capacity to allocate financial, capital or human resources according to its policy priorities, or to restrict the powers and functions of the Commissioner for Public Employment and Chief Executive Officers (CEOs) under applicable legislation.

This offer has been developed in accordance with the Wages Policy and following consideration of the ASMOF log of claims provided on 30 October 2013. It is considered to be a fair and reasonable offer, taking into account the current budgetary environment locally and nationally, forecasted CPI over the relevant period, and improvements made to conditions in previous bargaining, including:

- pay increases that have outstripped the CPI;
- new classification structures;
- increase to Category B Private Practice Allowance;
- extended hours benefit payments for critical care specialists;
- pre-eminent allowance;
- managerial allowance;
- top-up allowance;

- Public Health Specialist and Practitioner allowance;
- increase to 2nd roster allowance;
- professional development packages;
- regional and remote living payments;
- regional and remote rotation allowance;
- rural medical practitioner Medicare activity incentive payment;
- increase to on-call rates to provide clinical advice by telephone;
- enhanced parental leave provisions;
- work-life balance initiatives;
- enhanced personal/carer's leave, compassionate leave and recreation leave provisions; and
- a range of recruitment and retention initiatives for employees in remote and regional areas that apply to the general NTPS.

The terms of this offer comprise a total and interlinked package of improvements and changes to terms and conditions of employment. The salary offer is dependent on the achievement of the proposed efficiencies and if these cannot be achieved the Commissioner for Public Employment reserves the right to vary the salary component accordingly.

### **Enterprise Agreement**

The new agreement to be in the form of an enterprise agreement made under the Fair Work Act 2009.

### **Duration**

The new agreement to have a four year term expiring 12 months after the final salary increase paid under the agreement which will provide employees with stability in terms and conditions for the next four years.

### **Salary Quantum**

Subject to the achievement of the efficiency measures in this offer and the approval of the agreement by the Fair Work Commission:

- An initial salary increase of 3 per cent to be paid effective from the beginning of the first pay period commencing on or after the parties reach final agreement on all matters, or the first pay period commencing on or after 1 January 2014, whichever is the later;
- A second salary increase of 3 per cent to be paid at the commencement of the first pay period commencing on or after 1 January 2015;
- A third salary increase of 3 per cent to be paid at the commencement of the first pay period commencing on or after 1 January 2016; and
- A fourth salary increase of 3 per cent to be paid at the commencement of the first pay period commencing on or after 1 January 2017.

Work-related and expense related allowances will be adjusted consistent with the current agreement provisions.

Salary increases under the new agreement will not apply to employees who cease employment with the NTPS prior to approval of the agreement by Fair Work Commission.

## Superannuation Guarantee

As you would be aware, current Commonwealth legislation provides progressive increases to the Superannuation Guarantee (SG) charge from 1 July 2013, from the current level of 9.25 per cent to 12 per cent by 1 July 2019. SG is the compulsory system of superannuation support for eligible employees, paid for by employers. The increases apply to eligible NTPS employees not already receiving the minimum SG amount through membership of a defined benefit scheme.

Some employers, including public sector employers, have opted to off-set the cost of future superannuation contribution increases against wage increases. The Northern Territory Government has decided not to offset the salary offers against increases in the SG during the term of the agreement. This means that the SG increases will be paid in addition to the annual 3 per cent wage increases, rather than being included as part of the annual wage increases on offer.

The current schedule of increases to Superannuation Guarantee over the proposed period of the Agreement is as follows:

Period	Super guarantee rate (charge percentage)
1 July 2013 – 30 June 2014	9.25%
1 July 2014 – 30 June 2015	9.50%
1 July 2015 – 30 June 2016	10.00%
1 July 2016 – 30 June 2017	10.50%
1 July 2017 – 30 June 2018	11.00%

## General NTPS Initiatives

To assist in recruitment and retention of new employees and those in remote and regional areas it is proposed to continue the following general initiatives:

### **Satellite internet and/or TV subsidy for remote employees**

The provision allowing employees in a remote location to receive a reimbursement of up to \$500 for the installation and initial subscription to a satellite internet and/or television service will continue.

### **Relocation allowance**

The provision allowing the CEO to grant a relocation allowance for up to a maximum of ten fortnights for employees transferring to, or new employees recruited, to Katherine and Alice Springs will continue.

### **Higher Education Loan Program reimbursement for new recruits**

The provision for a reimbursement of up to \$3000 towards the Higher Education Loan Program for eligible new recruits.

### **Practitioner Allowance**

To address an anomaly in the current agreement it is proposed to include the following classifications into the Practitioner Allowance as provided in clause 27 of the current agreement:

- Rural Generalists; and
- Rural Medical Administrators

### **Efficiencies**

#### **Authorisation of Overtime**

Due to some claims for un-rostered overtime being submitted many months after the overtime was performed, and without records of the work being undertaken, it is proposed to include a clause that provides for the approval of un-rostered overtime based on sufficient documentary evidence.

#### **Private Practice Allowance Category B**

Private Practice arrangement within the current agreement have not maximised private practice revenue. It is proposed to strengthen the operation of clause 24.6 to ensure that employees participating in the Category B Private Practice arrangement maximise the billing of eligible patients.

#### **Rural Medical Practitioner Revenue Activity Incentive Payment**

Amend clause 31 of the agreement to state that the entitlement for the scheme is based on eligibility under relevant legislation. Advice received is that only towns with populations under 7 000 would qualify for this payment.

#### **Professional Development Allowance for Casuals**

Clarify the intention of clause 32.8 of the current agreement to exclude casual medical officers from the professional development allowance.

#### **Accessing personal leave while on unpaid parental leave**

It is proposed to remove the provision that provides an employee on the first 52 weeks of unpaid parental leave access to personal leave. This would ensure consistency with the principle that there is no access to personal leave during any periods of unpaid leave that do not count as service.

## Replace Extended Leave Scheme

The current scheme is complex and difficult to administer due to salary variations and difficult leave accrual arrangements. The consequences of this are the scheme is administratively resource intensive and there are high error risks. It is proposed to grandfather (keep in place) any existing employee arrangements until they are finalised but replace the current scheme with Advanced Notice of Leave Without Pay so there is still the ability for employees and agencies to plan for extended leave requests (up to one year off) well in advance of the proposed period (up to four years in advance).

## ASMOF Log of Claims

The matters raised in the ASMOF log of claims were considered, but found to be either:

- outside of the parameters of the Wages Policy (i.e. above the overall cost of 3% per annum, many including restrictive work practices, are not supported by efficiencies, or do not retain common core NTPS conditions of employment);
- provisions currently provided in the agreement or Determinations which are management issues and can be dealt with at the agency level; or
- not supported by rationale or evidence.

## New Agreement

The agreement's provisions have generally operated well during the term of the agreement. However, there are some remnants of policy and procedure that could be better placed in PSEMA instruments or general policy which would provide the parties the ability to address process matters through consultation during the term of the agreement. There are also some conditions whose application could be improved through clarification and/or streamlined provisions.

Therefore it is proposed to:

- review the current agreement and remove matters better dealt with through policy and procedure and place under PSEMA or general policy;
- remove references to other legislation which are better dealt with specifically under that legislation and inclusion in the agreement is unnecessary when the other legislation provides for the entitlement or provision; and
- review and/or amend provisions where possible to improve performance and streamline administration.

Furthermore, it is also necessary to consider the following factors when drafting a new agreement:

- compliance with the *Fair Work Act 2009* and the NTPS Wages Policy 2013-2016;
- consistency in common provisions across NTPS Agreements for core conditions (for example, parental leave, personal leave); and
- retention of current relevant provisions.