

NTPS GENERAL BARGAINING INFORMATION SHEET 1/2013

OFFER 15 MAY 2013

This information sheet outlines the terms of a 'without prejudice' offer, which was made on 15 May 2013, for a new enterprise agreement to replace the Northern Territory Public Sector 2010-2013 Enterprise Agreement, which is due to expire on 9 August 2013.

To address the rising budget deficit the Northern Territory Government has had to implement a tight fiscal strategy to bring expenditure under control. This strategy is reflected in the recently handed down budget.

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
- to deliver 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.

The offer has been developed in accordance with the Wages Policy and takes into account the submitted unions' claims. Any further claims will also be considered within the Wages Policy.

The offer takes into account the current budgetary environment locally and nationally, forecasted CPI over the relevant period, and existing conditions, which stem from improvements to pay and conditions Government has supported over recent years, including:

- pay increases that have outstripped the CPI;
- enhanced parental leave provisions;
- work-life balance initiatives;
- enhanced personal/carer's leave, compassionate leave and recreation leave provisions;
- enhancements to terms and conditions for professional classification employees;
- introduction of new structures and performance based pay for senior administrative and professional classifications; and
- a range of recruitment and retention initiatives for employees in remote and regional areas.

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 is to have a 4 year term that will expire 12 months after the final salary increase paid under the agreement, which will provide employees with stability in terms and conditions for the next 4 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 9 August 2013, 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 a period of 12 months after the initial salary increase;
- A third salary increase of 3 per cent to be paid at the commencement of the first pay period commencing on or after a period of 12 months after the second salary increase; and
- A fourth salary increase of 3 per cent to be paid at the commencement of the first pay period commencing on or after a period of 12 months after the third salary increase.

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

From 1 July 2013 Commonwealth legislation commences which will progressively increase the Superannuation Guarantee (SG) charge from the current level of 9 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 superannuation 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.

Period Superannuation Guarantee rate (charge percentage)

1 July 2003 - 30 June 2013	9.00%
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%

Remote and Regional Initiatives

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

Rental subsidy for remote employees

The current Category 3 100 per cent rental concession will continue for all eligible employees, living and working in defined remote localities (ie Category 1, 2 and 3) and who are provided with employer supplied housing.

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 10 fortnights for employees transferring to, or new employees recruited, to Katherine and Alice Springs will continue.

Notice of roster change

Introduction of a notice of roster change [of 7 days] for employees performing shift work and covered by Schedule 2 of the agreement. The drafting of this provision will take into consideration the provisions and wording for notice of roster change under Schedule 4.

Efficiencies

Span of hours (day workers)

To provide agencies the flexibility to work Saturday mornings it is proposed to extend the current span of hours during which ordinary hours can be worked of 6am – 6pm, Monday to Friday to also include hours from 6am to 1pm on Saturdays.

Incremental progression

To emphasise that incremental progression is subject to the *Public Sector Management and Employment Act* provisions, a renewed focus on CEOs withholding progression if employees are not meeting performance plan objectives will be highlighted in the existing clause.

Removal of clauses 13.3 and 44

Consistent with the Wages Policy objectives that new agreements are not to contain restrictive work practices or are not to include provisions restricting the Government's capacity to allocate financial, capital or human resources according to its policy priorities, it is proposed to remove clause 13.3 and 44 that deal with involuntary redundancies and job losses.

Review of Schedule 10 Northern Territory Public Sector Redeployment and Redundancy Provisions

As a result of WorkChoices (the *Workplace Relations Act 1996*) some provisions were no longer legally able to be included in awards. At that time, the employer agreed to include these provisions in the agreement without reviewing or redrafting them.

Through recent application of the provisions it has become apparent that the wording is outdated and difficult to follow and should be reviewed to ensure the provisions are up-to-date, readable and easily understood.

It is proposed to remove the procedural elements, retain core entitlements and ensure the provisions take into account the *Fair Work Act 2009* (Cth) minimum redundancy entitlements including transfer of business matters. It is also proposed to reduce the formal notice periods for redundancies to 4 months (or 6 months for employees over 45 years or with 20 years' service) and review the income maintenance and access to accumulated sick leave provisions.

Accessing personal leave – Documentary evidence required

Employees may currently access 5 days personal leave each year without a medical certificate and within that 5 days up to 3 may be consecutive without a medical certificate. This is inconsistent with the national public sector standard and to bring the provision into line with other jurisdictions, it is proposed that employees may continue to access 5 days personal leave each year without a medical certificate and within that 5 days up to 2 days may be consecutive without a medical certificate.

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 grandparent (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 4 years in advance).

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:

- 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.

A list of clauses proposed to be changed will be provided in bargaining.

Other matters

There were a range of matters raised by the unions in their claims that are matters better dealt with through the Public Sector Consultative Council (PSCC) or, an agency's specific consultative committees.

Under the *Public Sector Employment and Management Regulations* the functions of the PSCC are to "consider such matters of general interest in relation to the Public Sector which are referred to it by the Commissioner and to make reports and recommendations on those matters to the Commissioner."

Therefore, it is proposed that the following matters be referred to the PSCC for further discussion and consideration:

- use of temporary employment arrangements;
- occupational Health & Safety issues including the development and implementation measures to improve compliance with the *NT Workplace Health and Safety Act 2007* and regulations;
- performance management and access to training and development;
- review of Senior Officer Progression Scheme;
- information and/or promotion of flexible work arrangements;
- policies across the NTPS (and unions' proposal to standardise);
- Indigenous recruitment, training and career progression;
- apprentices and trainees; and
- review of junior rates.

Some other matters raised by unions in bargaining (for example, the Aboriginal Health Practitioners review) are better addressed by the local agency consultative committees. These will be discussed in bargaining when responding to the unions' claims.

United Voice has made a claim for a separate agreement for employees engaged at the shospitals (excluding nurses and medical officers), however, the union has not provided adequate reasons why this proposal should be agreed. On this basis a 'Health Professional and Health Support enterprise agreement (hospital based)' is not agreed to.



KEN SIMPSON
Commissioner for Public Employment

15 May 2013