NTPS GENERAL BARGAINING INFORMATION SHEET 13/2013

[This document is an update of information sheet 11/2013, amended 22 October 2013]

FREQUENTLY ASKED QUESTIONS

IMPROVED OFFER (9 October 2013)

This information relates to the Commissioner for Public Employment's improved offer ('the offer') for a new general NTPS enterprise agreement which is subject to an employee ballot due to end on 8 November 2013.

Note: References to 'the current agreement' are referring to the Northern Territory Public Sector 2010-2013 Enterprise Agreement

Q1. What are the key elements of the offer?

- 3% per annum pay increase over a 4 year agreement
- the first pay increase is effective from 10 October 2013. Subsequent pay increases to be from the first pay periods to commence on or after 9 August 2014, 9 August 2015 and 9 August 2016
- the Superannuation Guarantee increases in addition to the 3% per annum pay increase (not offset against the pay increase)
- removal of the claim to reduce redundancy notice periods
- a continued commitment to no forced redundancies and no job losses arising directly from the implementation of the new agreement
- no change to the requirement to offer voluntary redundancies (that includes generous severance payments) prior to declaring an employee formally redundant and invoking notice periods
- abolition of junior rates of pay under the Agreement from 10 October 2013
- no change to the current increments clause (ie clause 27 in the 2010-13 Agreement) except to update the provision that if a grievance arises it will be heard by way of section 59 of the *Public Sector Employment and Management Act* (the PSEM Act)
- placement of provisions dealing with filling vacancies as a result of substantial change in an Employment Instruction under the PSEM Act
- re-writing the redeployment and redundancy entitlement provisions into plain language and placing the redeployment and redundancy procedures in an Employment Instruction under the PSEM Act
- for an employee on unpaid parental leave which does not count as service, removal of access to personal leave which is then consistent with the treatment of other leave not to count as service
- replacing the extended leave scheme with an advanced notice of leave without pay scheme that ensures a similar entitlement

Q2. Will employees lose their jobs as a result of this offer?

No. The offer continues from the previous agreement a commitment that there will be <u>no</u> forced redundancies and <u>no</u> job losses arising directly from the implementation of the new agreement.

Q3. Will there be a clear process for filling vacancies resulting from substantial change?

Yes. The former clause 18 from the current agreement has been rewritten to be very clear and is now placed under legislation in the form of an Employment Instruction. To view the proposed words visit Draft Employment Instruction 1.

Q4. Is there still access to flexible working hours (flextime)?

Yes. There has been no change in the entitlement for flextime provisions or any other flexible work arrangements.

Q5. Will the offer make it easier to outsource work?

No. Where there is a transfer of business the new employer generally has the choice of offering current employees a new job with them.

If a current employee is not offered a job, or an employee declines an offer of employment made by the new employer, then the employee will be potentially surplus to the NTPS and redeployment or redundancy process apply.

If a current employee accepts a job offer then transfers to the new employer along with the length of NTPS service, thus meaning that in the event the employee becomes redundant with the new employer, both service with the NTPS and the employer counts towards their redundancy pay.

The offer clarifies that in the event of a transfer of business an employee is offered and accepts a job with the new employer to perform the same or substantially similar work, and the service with the NTPS is recognised by the new employer, the employee is not considered to have been made redundant from the NTPS and the NTPS does not have to pay a redundancy amount.

This is in keeping with the intention of the *Fair Work Act 2009* (FW Act).

Q6. Has there been any change to how disputes are settled?

No. Employees will continue to have access to review of grievances and appeals under the *Public Sector Employment and Management Act* (PSEM Act) and where appropriate through the Fair Work Commission under the FW Act.

Q7. Are there any changes to the payment of overtime for Professional level 3 classification employees or the 'grandparenting' allowance for eligible Professional 1 or 2 employees?

No. These conditions will remain payable through the relevant Commissioner's Determination.

Q8. What is happening with public servant pay rises in other states?

Governments have been belt tightening as they face similar fiscal challenges. Offers and increases in those jurisdictions have been around or less than 2.5%. Generally the offers have come with significant job cuts and the implementation of forced redundancy packages which are worth far less than those in the NTPS.

Any increases in costs of an agreement above the wages policy positions (generally around or below 2.5%) are required to be paid for with 'bankable' employee cost efficiencies

As a result of intractable bargaining some employees have gone without increases for greater than 12 months.

Q9. The offer proposes to shift some remnants of policy and procedure from the agreement and place these under the PSEM Act or general policy. Does this mean a reduction in these entitlements?

This process is not about removing key employment entitlements such as recreation, personal or parental leave. It is proposed to shift only those provisions that are procedural or policy in nature (eg the process for how to fill a vacancy resulting from substantial change) or are a duplication of existing provisions found in PSEM Act or existing NTPS policy (eg NTPS Apprenticeship Program) or dealt with under other legislation (eg *Anti-Discrimination Act, Work Health and Safety (National Uniform Legislation) Act).*

Shifting these provisions that are procedural/policy in nature from the enterprise agreement does not reduce the entitlement; the entitlement will continue to exist. Shifting these provisions into a Commissioner policy or Guideline will allow the parties to address issues that arise from time to time in processing entitlements in a much more timely and efficient manner thereby providing an administrative efficiency.

Q10. The total offer is capped at 3% per annum and is subject to moderate efficiency measures being achieved. What is meant by efficiency measures and what if efficiency measures are not agreed to in bargaining?

Under the FW Act good faith bargaining allows a fair and flexible framework for negotiating enterprise agreements that deliver productivity benefits. A productivity benefit (or efficiency measure) is an initiative which will ultimately result, either directly or indirectly, in increased productivity and/or cost savings.

As such, the offer of 3% salary increases per annum is subject to some efficiency measures being introduced. These efficiency measures are considered to be moderate and can be found in the Information Sheet 10 / 2013

The terms of the offer comprise a total and interlinked package of improvements and changes to terms and conditions of employment. The salary offer is also dependent on the achievement of the proposed efficiencies and if these cannot be achieved the Commissioner reserves the right to vary the salary component accordingly. This means, for example, that if the moderate efficiency measures are not achieved the salary offer may be reduced.

Q11. How does the Darwin Consumer Price Index (CPI) relate to the salary increases being offered?

The increase in public sector salaries has generally been above the Darwin CPI in the past as seen in Information Sheet 8 / 2013

The 3% per annum salary increase offer meets 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 Deloitte Access Economics June Quarter 2013 economic brief.

Q12. Are the increases to employer Superannuation Guarantee (SG) included in the 3% per annum salary increase?

Unlike some other employers, it has been decided not to offset the salary increases offered against the legislated SG increases during the term of the agreement. The increases to SG contribution for eligible NTPS employees are in addition to the quantum of the salary increase.

The effect of the NTPS offer, based on the current legislative increases, 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.

Q13. What changes are being made to redundancy entitlements?

No change to current NTPS notice periods and voluntary retrenchment severance payments. The income maintenance provisions following termination have been removed as it is not considered appropriate that rights and obligations arising from an employment relationship continue beyond the termination of that relationship and the Commissioner would not allow such a situation to occur in any case.

There is also no change to the requirement to invite employees to consider a voluntary redundancy (that includes generous severance payments) in the first instance prior to declaring an employee formally redundant and invoking notice periods.

Q14. Why is the redeployment and redundancy schedule being rewritten?

The current redeployment and redundancy schedule is unwieldy and difficult to interpret. This is acknowledged by the parties. The proposed redrafting aims to refresh the provision to ensure it is contemporary and easier to understand. It also aims to align redeployment entitlements more closely with other jurisdictions, and to incorporate certain elements of the FW Act provisions.

The current Part B *Redeployment and Redundancy Procedures* will be rewritten and placed in an Employment Instruction.

Q15. If I can no longer access personal leave during a period of unpaid parental leave, what accrued leave can I access?

The current agreement provisions providing employees access to accrued recreation leave and long service leave entitlements anytime within 24 months from time of birth or date of placement (in the case of adoption) will continue. This proposal is in line with the National Employment Standards and the FW Act.

Q16. If the Extended Leave Scheme is being removed will it be replaced with anything else?

The current scheme is complex and difficult to administer due to salary variations and difficult leave accrual arrangements. It is proposed to replace the current scheme with Advanced Notice of Leave Without Pay which will be managed in accordance with By-law 16 Special Leave Without Pay. Employees and agencies will be able to plan for extended leave requests (up to 1 year off) well in advance of the proposed period (up to 4 years in advance). Whilst the ability to access an extended period of leave remains, the deferred salary arrangement will not continue. Employees will need to ensure they have considered any financial implications associated with an extended period of leave without pay.

Q17. If I have an agreement in place under the Extend Leave Scheme, will this continue if the Extended Leave Scheme is removed?

Yes. All Extended Leave Scheme agreements, as per Schedule 13 of the current agreement, in place at the date of commencement of the new agreement will continue until they are finalised.

Q18. Will the 100% rental concession continue to apply in all remote localities?

Yes. This initiative was introduced with the current agreement to address recruitment and retention issues. It is proposed to continue this initiative for the life of the new agreement.

Q19. Is there any changes proposed for the Satellite TV / internet subsidy for remote workers?

No. The $500 satellite TV and/or internet subsidy will continue unchanged. It was an initiative to assist in attracting and retaining employees in remote localities. The Commissioner has reviewed this provision and proposes to continue with the subsidy for the life of the new agreement.