

NTPS GENERAL BARGAINING INFORMATION SHEET 10/2013

IMPROVED OFFER – 9 OCTOBER 2013

This information sheet outlines the terms of the Commissioner for Public Employment's improved 'without prejudice' offer, which was made on 9 October 2013, for a new enterprise agreement to replace the Northern Territory Public Sector 2010-2013 Enterprise Agreement, which expired on 9 August 2013. The improved offer is the same as that put to the ballot recently but with some concessions.

As with the previous offer of 26 August 2013 ([see NTPS General Bargaining Information Sheet 6/2013](#)) this improved offer is made based on the parameters of the [Northern Territory Public Sector Wages Policy 2013-2016](#), the rising budget deficit for which the Northern Territory Government has had to implement a tight fiscal strategy, and the most recent budget (May 2013).

The total overall cost of an agreement outcome is capped at 3 per cent per annum and is subject to the efficiency measures being achieved.

The new offer contains the following additional improvements and concessions which have been made in a genuine attempt to settle the negotiations as soon as possible so that the first pay increase for employees is paid in a timely manner.

- **REDUNANCY NOTICE PERIODS**

The Commissioner has removed his claim to reduce redundancy notice periods so that formal redundancy notice periods will remain at 26 weeks, or 52 weeks for employees over 45 years or with 20 years' service.

- **EMPLOYMENT SECURITY**

In response to some employees' concerns about job security, the Commissioner has removed the additional wording that was proposed under clauses 13 (Objectives) and 44 (Security of Employment), i.e. removal of the words "*For the avoidance of doubt, this commitment relates solely to the effects of the costs of the salary and allowance increases in the Agreement and at the time they are paid. It does not include changes that can arise from machinery of government changes (eg agency restructuring), budget savings measures, and the like that arise out of policy decisions of the Northern Territory Government from time to time.*"

- **FIRST PAY INCREASE of 3% effective from 10 October 2013** with future salary increases to be from the first pay periods to commence on or after 9 August 2014, 9 August 2015 and 9 August 2016.

The revised offer is set out in full below:

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 four year term that will expire 12 months after the final salary increase paid under the agreement (ie 10 August 2017), 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 10 October 2013;
- A second salary increase of 3 per cent effective from the first pay period to commence on or after 9 August 2014;
- A third salary increase of 3 per cent effective from the first pay period to commence on or after 9 August 2015; and
- A fourth salary increase of 3 per cent effective from the first pay period to commence on or after 9 August 2016.

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 the increase in the SG on 1 July 2013 and those that occur 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.

The schedule of increases to Superannuation Guarantee covered by the Agreement is as follows:

| | |
|----------------------------|--------|
| 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% |
| 1 July 2017 – 30 June 2018 | 11.00% |

The effect of this offer means that an extra 2 per cent (on currently legislated increases) will go to eligible NTPS employees not already receiving the minimum SG amount through membership of a defined benefit scheme over the agreement period.

Junior Rates of Pay

Junior rates of pay will be abolished under the proposed Agreement and employees on junior rates will translate to the minimum rate of the relevant classification from 10 October 2013. The date of translation will become the new anniversary increment date.

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.

Efficiencies

Review of clauses 13.3 and 44

It is proposed to retain sub-clauses 13.3 (Objectives), 44.1 and 44.2 (Security of Employment) that deal with involuntary redundancies and job losses.

It is still proposed to remove clauses 44.3, 44.4 and 44.5 which deal with a CEO's ability to consider the status of fixed term employees, casuals and employees on higher duties; these are operational matters and not entitlement based provisions. This will continue to occur at the CEO discretion on a case by case basis.

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

Through recent application of the redeployment 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 and irrelevant income maintenance provisions, retain core entitlements (eg redundancy notice periods) and ensure the provisions take into account the *Fair Work Act 2009* (Cth) minimum redundancy entitlements, and transfer of business (the latter to be addressed under clause 60). Much work has been achieved with the joint drafting group and your feedback has been either incorporated or taken into consideration in the drafting of a new Schedule 10 Redeployment and Redundancy Entitlements and draft [Employment Instruction No. 14 Redeployment and Redundancy Procedures](#) (subordinate legislation under the PSEMA).

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.

Employees will continue to have access to their accrued recreation leave and long service leave entitlements and I am also proposing to remove the current limitation under the Agreement which restricts access to such accrued entitlements during the period 24 months from time of birth or date of placement of the child.

New 'Leave Without Pay for extended periods'

The current Extended Leave Scheme is complex and difficult to administer due to salary variations and 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 four years in advance). This will be addressed under the current clause 48 Work Life Balance of the agreement.

Review clause 18 Filling Vacancies Resulting from Substantial Change

It is proposed to review clause 18 and update Employment Instruction Number 1 (filling vacancies) which will include the principles underpinning the filling vacancies process with preference applied to ongoing employees: [Draft Employment Instruction Number 1](#).

New Agreement

The Agreement has generally operated well during its term. However, there are some remnants of policy and procedure that are 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.

A joint drafting group has been working on these matters and a copy of the proposed full Agreement has been drafted which incorporates or takes into account the unions' (bargaining agents) feedback. A copy of the draft Agreement has been sent to the unions.

Improvements offered during bargaining

In addition to the key concessions outlined earlier in this Information Sheet, during bargaining many concessions and proposals to improve current entitlements have been made, many of which are in response to issues arising from the unions' claims. These include the Commissioner's agreement to:

- retain clause 27 Increments with the technical amendment in relation to grievances to confirm section 59 of the PSEM Act applies;
- retain clause 47 Workloads;
- introduce a new provision under clause 17 Management of Change whereby the CEO may establish agency consultative committee for substantial change in the workplace which may affect employees;
- introduce a new provision where the CEO may establish agency consultative committee for workplace issues that affects employees in relation to matters covered by the agreement;
- retain the Public Sector Consultative Council provision but review clause 19 to include reference to general consultative committees;
- renew Determinations for HELP Reimbursement for new recruits (Det 1095 of 2010), Allowance (grand-parenting arrangements) for Professional 2 employees who translated to new Professional structure in January 2011 (Det 1094 of 2010), Trade Skills Market Allowance (Det 1099 of 2010) and P3 Overtime and Restrictive Duty (Det 1106 of 2010); and
- enhance parental leave provisions under clause 49 through the incorporation of recent *Fair Work Act* amendments in relation to special maternity leave, concurrent leave, and safe job provisions for casual employees into existing provisions and other amendments to streamline the provision whilst retaining paid parental leave scheme and associated entitlements.

Other Matters

Bargaining is an appropriate forum to consider changes to current terms and conditions however operational matters and those related to the implementation of terms and conditions are better addressed in the consultative committee sphere. For example, during bargaining one union raised concerns about the awareness and access to existing provisions: this can be addressed without changing the provisions through information or communication with agency management and employees.

Many matters raised by unions during bargaining were about general sector wide policy issues and not bargaining matters, and the Commissioner has recommended such matters be raised at the Public Sector Consultative Council.

The Commissioner believes that in the circumstances, this is a fair package that provides an appropriate balance of maintaining wages and introducing efficiencies for the NTPS and these additional concessions show his continued commitment to reach agreement as soon as possible.