

PRISON OFFICER ENTERPRISE AGREEMENT NEGOTIATIONS INFORMATION SHEET 1/2014

OFFER 20 MAY 2014

This information sheet outlines the terms of a 'without prejudice' offer, which was made on 20 May 2014, for a new enterprise agreement to replace the *Prison Officer (NTPS) 2011 - 2014 Enterprise Agreement* (the current Agreement), which is due to expire on 9 August 2014.

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 this year's Budget which was recently handed down.

As you are aware, in response to current financial pressures, the Northern Territory Government has approved the Northern Territory Public Sector Wages Policy 2013 – 2016.

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.

You will also note that 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 United Voice's (the Union) log of claims received on 10 April 2014.

I consider this to be a fair and reasonable offer, taking into account the current budgetary environment locally and nationally, forecasted CPI over the relevant period, competitiveness of current salaries, and improvements made to conditions in previous bargaining, including:

- past pay increases that have outstripped the CPI;
- a classification restructure that improved the career paths of Prison Officers and resulted in increased salaries across the board and additional increments for Prison Officers, Prison Officers (First Class) and Senior Prison Officers;
- enhanced parental leave provisions;
- enhanced personal/carer's leave, compassionate leave and recreation leave provisions; and
- 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 I reserve the right to vary the salary component accordingly.

1. Enterprise agreement

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

2. Duration

The new agreement to have a four year term expiring 12 months after the final salary increase paid under the agreement.

3. 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 2014, whichever is the later;
- A second salary increase of 3 per cent to be paid from the beginning 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 from the beginning of the first pay period commencing on or after a period of 24 months after the initial salary increase; and
- A fourth salary increase of 3 per cent to be paid from the beginning of the first pay period commencing on or after a period of 36 months after the initial salary increase.

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.

4. Super Guarantee

On 1 July 2013 Commonwealth legislation commenced which will progressively increase the Superannuation Guarantee (SG) charge 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 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 over the proposed period of the new agreement is as follows, and means that an extra 1.75% per cent (under existing legislation) will go to eligible employees not already receiving the minimum SG amount through membership of a defined benefit scheme over the agreement period.

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%

5. Review of recreation leave roster arrangements

Acceptance of the Union's claim to increase flexibility in the operation of the current partial block leave roster. This will be achieved by:

- removing the current requirements that recreation leave be taken in strict seven day blocks, commencing on a Thursday; and
- replacing it with a simple requirement for a minimum of 7 days to be taken during each leave period, commencing on any day.

6. Additional Work Life Balance Initiatives

Acceptance of the Union's claim to improve work life balance provisions by amending the existing clause to mirror the NTPS Enterprise Agreement ('General Agreement'), resulting in access to the following additional initiatives for Prison Officers:

- Utilisation of recreation leave at half pay;
- Purchase of additional leave; and
- Advance notice of leave without pay - to replace the extended leave scheme, which has proven complex and difficult to administer, with high error risks and minimal uptake (note: it is proposed to grandparent (keep in place) any existing employee who has arrangements under the extended leave scheme until they are finalised).

7. Job Security provision

Acceptance of the Union's claim not to amend existing clause 58.1 to reflect the employer's longstanding interpretation that the commitment to no involuntary redundancies or job losses arising directly from the implementation of the agreement:

- relates solely to the effects of the costs of the salary and allowance increases in the Agreement and at the time they are paid; and
- does not include changes that can arise from machinery of government changes (e.g. agency restructuring), budget savings measures and the like that arise out of policy decisions of the Northern Territory Government from time to time.

I note that this does not change my view about the meaning and application of the clause.

8. Union delegate clause

Acceptance of the Union's claim for the insertion of a Union delegate clause that mirrors the General Agreement clause.

9. Remote and Regional Incentives

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

a) 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.

b) 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.

c) Rental Concession – Tennant Creek

The current 100 per cent rental concession will continue for all eligible employees, living in Agency supplied accommodation in Tennant Creek will continue.

10. Barkly Work Camp

Continuation of the terms and conditions of determination 1104 of 2011 applying to employees who perform restrictive duty at the Barkly Work Camp, through an extension of the determination.

It is noted that determination 1014 of 2013 applying to Barkly Work Camp employees who supervise prisoners performing reparation works is shortly due to expire. The findings and outcomes of the current SIO review have the potential to impact on the provisions of this determination, and DCS will consult with Unions and affected employees in relation to this matter once the SIO Review is finalised.

11. Efficiencies

a) Amend higher duties

Review of higher duty allowance in line with the General Agreement position requiring that the allowance only be payable on the completion of one day of higher duties.

b) Time off on lieu

Remove clause 45 (Time Off in Lieu) with the result that the standard By-law provisions will apply.

c) Review of Schedule 2 Redeployment and Redundancy Provisions

Through recent application of the redeployment and redundancy provisions it has become apparent that they are prescriptive, historical (with the wording outdated) and difficult to follow. The provisions require review to ensure they are up-to-date, readable and easily understood.

Removal of procedural elements (instead replacing them in an Employment Instruction), and review of provisions take into account the *Fair Work Act 2009* (Cth) minimum redundancy entitlements, including in regard to transfer of business matters.

Review of the income maintenance and access to accumulated sick leave provisions.

d) Accessing personal leave while on unpaid parental leave

Removal of clause 22.10(b) which provides an employee on the first 52 weeks of unpaid parental leave, access to personal leave. This will 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.

e) Promotion of innovation and efficiency

Innovation and effective work practices are valued in the Department of Correctional Services. This will be recognised through a new provision in the enterprise agreement requiring the scheduling of an annual meeting with the parties of the agreement to discuss and promote innovation and efficient work practices in the Department.

12. New Agreement

In addition to the specific matters relating to the content of the agreement referred to above, the agreement is to be updated to:

- a) improve clarity and remove ambiguity where necessary;
- b) update to ensure compliance with *Fair Work Act* provisions where necessary;
- c) remove provisions that are better dealt with through policy or procedure;
- d) remove provisions that simply duplicate PSEMA provisions and are therefore unnecessary;
- e) remove provisions referencing other legislation which are better dealt with specifically under that legislation and inclusion in the agreement is therefore unnecessary;
- f) remove clauses relating to commitments now fulfilled, thereby rendering the clause obsolete; and
- g) ensure consistency of common core entitlements across the NTPS (eg: management of change, security of employment, parental leave, personal leave, compassionate leave, redeployment and redundancy).

A list of clauses affected by this component of my offer will be provided to the Union during the bargaining process.

Please note that certain matters included in the Union's log of claims are better addressed outside of the bargaining process and will be progressed with the Union as necessary through appropriate, alternative channels.



CRAIG ALLEN
Commissioner for Public Employment

20 May 2014