

Yvette Berry MLA

Deputy Chief Minister

Minister for Early Childhood Development

Minister for Education and Youth Affairs

Minister for Housing and Suburban Development

Minister for Women

Minister for the Prevention of Domestic and Family Violence

Minister for Sport and Recreation

Member for Ginninderra

Ms Sandra Lambert AM Chair **ACT Remuneration Tribunal** PO Box 964 **CIVIC SQUARE ACT 2608**

Email: remtrib@act.gov.au

Dear Ms Lambert Scholar

Thank you for your letter of 17 March 2023 about the provision of a submission to the ACT Remuneration Tribunal's 2023 Autumn Review of remuneration, allowances and entitlements for members of the ACT Legislative Assembly, Act Public Service Executives and full-time Statutory Office Holders.

The ACT Government's submission to the 2023 Autumn Review is attached. On behalf of the Government, I would like to acknowledge the important leadership and contribution that ACT Public Service Executives, full-time Statutory Office Holders and Members of the Legislative Assembly provide to the community.

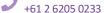
Yours sincerely

Yvette Berry MLA **Acting Chief Minister**

21 April 2023

ACT Legislative Assembly London Circuit, GPO Box 1020, Canberra ACT 2601

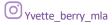














Submission to the ACT Remuneration Tribunal 2023 Autumn Review

Background

The ACT Government acknowledges the Ngunnawal people as the Traditional Custodians of the land on which the Government operates.

The ACT Remuneration Tribunal (the Tribunal) advertised the 2023 Autumn Review in March 2023. This review is considering the remuneration and allowances to be paid and other entitlements to be granted to:

- Members of the Legislative Assembly;
- the Head of Service, Directors-General and ACT Public Service Executives;
- full-time Statutory Office Holders (including Officers of the Legislative Assembly); and
- any other positions that have been referred to the Tribunal for consideration.

This is the ACT Government Submission to the Tribunal's 2023 Autumn Review, and it is made without prejudice.

Context

The Government notes the outcomes of the:

- 2022 Autumn Review, held in May 2022, at which the Tribunal determined to provide an increase
 of 3.25% to the remuneration of position holders, with additional adjustments for some position
 holders. The Tribunal noted that it had balanced the community standards and expectations and
 noted the continuing uncertainty of circumstances due to COVID-19. The Tribunal also indicated
 the importance of the Territory providing competitive and equitable remuneration, allowances
 and other entitlements so that it can continue to attract and retain high calibre individuals;
- 2022 Spring Review, held in October and November 2022, at which the Tribunal determined to
 provide an increase of 3% to the remuneration of position holders, with additional adjustments
 for some position holders. Remuneration of ACT Supreme Court judicial position holders and the
 Integrity Commissioner increased in line with existing relativity to the increases provided by the
 Commonwealth Remuneration Tribunal for Federal Judges;

A further outcome of both the Autumn and Spring 2022 Reviews had its genesis in the Government's decision to amend the Public Sector Management Standards 2016 to remove the vehicle entitlement for SES and statutory office-holders and replace it with additional salary. The Tribunal therefore provided SES and full-time statutory office holders in both the Autumn and Spring 2022 Reviews with the former FBT payment of \$7,500 as salary. The Tribunal also decided to provide the former FBT payment of \$7,500 as salary to the Chief Magistrate and magistrates.

Matters for the Tribunal to consider

The Government notes the need to attract and retain talented senior management and statutory office-holders. However, it also draws to the Tribunal's attention the current context of a local economy recovering from the uncertainty induced by COVID-19, as well as the ongoing impact of international economic shocks, and anticipated future Commonwealth tax settings for higher income earners. In this context, the Government highlights the importance of reflecting community expectations, and the need to continue to repair the ACT's fiscal position over the medium term, in any determination.

It is important to the Government for it to remain, and to be seen, as a competitive employer. The Government is appreciative of the important contribution and achievement of these office-holders over the preceding 12 months, and a pragmatic and restrained remuneration increase would recognise this contribution.

The Government notes the Tribunal's decision in the Spring 2022 Review to generally increase remuneration in the amount of 3%.

Remuneration under Enterprise Agreements

During 2021, COVID-19 caused delays to the enterprise agreement bargaining process. The Government sought to ensure the bargaining process was conducted comprehensively and would allow for full consideration of all terms and conditions of employment, while not delaying any pay increases. The Government proposed to finalise and ballot short-term 12-month agreements for sixteen agreements, with a small number of changes. This had the benefit of allowing bargaining to recommence in 2022 to enable a more comprehensive examination and negotiation of the agreements.

This approach was successfully voted up and approved by the Fair Work Commission with most of the agreements due to expire by October 2022.

The pay increases under those agreements are:

- 1.35% payable from 9 December 2021; and
- 1.35% payable from 9 June 2022.

Bargaining re-commenced in early 2022 for the new ACT Public Sector enterprise agreements which were due to expire by October 2022.

The ACTPS enterprise agreements being negotiated as part of the current round are as follows:

- ACTPS ACT Ambulance Service Enterprise Agreement 2021-2022
- ACTPS Administrative and Related Classifications Enterprise Agreement 2021-2022
- ACTPS CIT General Staff Enterprise Agreement 2021-2022
- ACTPS CIT Teaching Staff Enterprise Agreement 2021-2022
- ACTPS Correctional Officers Enterprise Agreement 2021-2022
- ACTPS Cultural Facilities Corporation Enterprise Agreement 2021-2022
- ACTPS Education Directorate Teaching Staff Enterprise Agreement 2018 2022
- ACTPS Health Professional Enterprise Agreement 2021-2022
- ACTPS Infrastructure Services Enterprise Agreement 2021-2022
- ACTPS Legal Professionals Enterprise Agreement 2021-2022
- ACT Legislative Assembly Members' Staff Enterprise Agreement 2021-2022
- ACTPS Medical Practitioners Enterprise Agreement 2021-2022
- ACTPS Nursing and Midwifery Enterprise Agreement 2020 -2022
- ACTPS Office of the Legislative Assembly Enterprise Agreement 2021-2022
- ACTPS Support Services Enterprise Agreement 2021-2022
- ACTPS Technical and Other Professionals Enterprise Agreement 2021-2022
- ACTPS Transport Canberra Operations (ACTION) Enterprise Agreement 2021-2022

In November and December 2022, the ACT Government provided a formal pay offer, which also outlined conditions and entitlements as part of the ACT Public Sector Enterprise Agreement bargaining. On 28 February 2023 the ACT Government provided a revised offer to bargaining parties by way of reducing the 4-year wage offer to 3 years and supporting additional Union claims improving conditions and entitlements for employees. The pay offer was developed to recognise the value it places in its workforce and to assist in easing financial pressures. On 11 April 2023 the ACT Government provided a final revised offer for core conditions.

The pay offer differs from a traditional percentage-only increase, and, in the context of a high consumer price index and cost of living pressures, is deliberately structured to provide the highest pay increases to the lowest-paid workers. It combines multiple fixed-dollar increases over the life of the agreement as well as percentage increases. This means that every year (from 2023 to 2025) it is proposed that employees will receive either a flat rate increase, a percentage increase or both a flat rate and percentage increase to their salary. This combination will provide workers on lower salaries with higher increases than what would be provided if a simple recurrent percentage was applied for all levels.

Given the current economic context and the Government's deliberate policy of prioritising salary increases for the lowest-paid public service employees, it would be appropriate that any increases being considered for ACT Public Service Executives, Members of the Legislative Assembly, and Full-time Statutory Office Holders align with this policy.

The ACT Government also recognises there are immediate cost-of-living pressures on workers and has offered an initial \$1,250 cost of living supplement payable upon EA commencement. Part-time and casual employees who work 0.5 full-time equivalent (FTE) and above receive the full payment of \$1,250, and part-time and casual employees who work below 0.5 FTE will receive a pro rata payment based on an average of their hours over the last 12 months.

Date of increase	Amount	Increase type
Upon EA commencement	\$1,250	One off cost-of-living supplement
Jan-23	\$1,750	Flat increase
Jun-23	1%	% increase
Dec-23	\$1,750	Flat increase
Jun-24	1.50%	% increase
Dec-24	1% + \$1,500	% increase and flat increase
Jun-25	1%	% increase
Dec-25	1% + \$1,000	% increase and flat increase

The final pay offer also includes:

- a 0.5% increase to the Superannuation Guarantee from 1 July2025 (which would bring contributions to Superannuation Guarantee funds up to 12%); and
- an additional 0.5% increase from 1 January 2026 (which would bring contributions to Superannuation Guarantee funds up to 12.5%. This is 0.5% above the legislated minimum).

Currently, the proposed offer stipulates that pay increases will apply from the first full pay period in January 2023. Any relevant back pay is to be paid as soon as possible upon the successful ballot, Fair Work Commission approval and commencement of the relevant agreement.

In addition to the pay offer, the ACT Government is also progressing initiatives that seek to enhance employment conditions in recognition of the contribution and valuable work performed by employees. Some of the key initiatives that have been proposed include:

• Expanding current leave entitlements, including the introduction of Assisted Reproductive Leave and the increase of paid birth leave from 18 to 24 weeks;

- Broadening flextime provisions;
- Broadening access to the health and wellbeing allowance; and
- Simplifying dispute and misconduct provisions.

The Government has offered employees working at the Senior Officer B and A levels (and equivalent classifications) access to flextime arrangements. If approved, this would replace the current entitlements for Recovery Leave for these particular employees. This arrangement is intended to ensure that hours of work are appropriately managed. As part of this process there are certain classifications above the Senior Officer Grade A level that may become eligible for recovery leave. The Government notes that there is no equivalent flextime leave or recovery leave arrangements for members of the ACTPS Senior Executive Service.

Bargaining is still underway and while the final offer has been made, it is after the successful ballot and approval of the Fair Work Commission that the proposed enterprise agreements will come into effect.

Conclusion

In undertaking the 2023 Autumn Review, the Government encourages the Tribunal to consider community expectations and the Territory's fiscal position when assessing the remuneration, allowances and other entitlements of Members of the Legislative Assembly, ACT Public Service Executives and Full-time Statutory Office Holders.

The wider ACT economy is emerging from the COVID-19 pandemic and our focus is on rebuilding our economic, social and community resilience. The Government notes the rise in consumer price index is causing real cost of living pressures. It is the Government's opinion that a pragmatic and restrained increase to remuneration, allowances or enhancement of other entitlements for position holders in the Tribunal's jurisdiction would be appropriate. The Government therefore requests the Tribunal consider an increase to remuneration.

Thank you for the opportunity to provide a submission for the Autumn 2023 review.

The Government wishes to acknowledge the important leadership and contribution that ACT Public Service Executives, Members of the Legislative Assembly, and Full-time Statutory Office Holders provide to the ACT community, strongly supported by employees of the ACT Public Service.