

Andrew Barr MLA

Chief Minister



Member for Kurrajong

Treasurer

Minister for Economic Development

Minister for Tourism and Major Events

Dr Colin Adrian

Chair

ACT Remuneration Tribunal

PO Box 964

CIVIC SQUARE ACT 2608

Email: remtrib@act.gov.au

Dear Dr Adrian

Thank you for your letter dated 19 December 2017 about the opportunity to make a submission to the ACT Remuneration Tribunal's 2018 Autumn Review of remuneration, allowances and entitlements for Members of the Legislative Assembly, the ACT Public Service Executives and full-time Statutory Office Holders.

The Government's Submission to the 2018 Autumn Review is attached for the Tribunal's consideration. In providing this Submission, the Government would like to acknowledge the important contribution that these public officers provide to the people of the ACT.

I look forward to discussing this submission further with the Tribunal at the Autumn Review.

Once again, I would like to thank you for providing the Government an opportunity to make this submission.

Yours sincerely

A handwritten signature in black ink that reads 'Andrew Barr'.

Andrew Barr MLA

Chief Minister

16 FEB 2018

AUSTRALIAN CAPITAL TERRITORY LEGISLATIVE ASSEMBLY

London Circuit, Canberra ACT 2601, Australia GPO Box 1020, Canberra ACT 2601, Australia
Phone +61 2 6205 0011 Fax +61 2 6205 0157 Email barr@act.gov.au



@ABarrMLA



AndrewBarrMLA



andrewbarr



Submission into the ACT Remuneration Tribunal 2018 Autumn Review

February 2018

Background

The ACT Remuneration Tribunal advertised for the 2018 Autumn Review in January 2018. This review is looking into the remuneration and allowances to be paid, and other entitlements to be granted to:

- Members of the Legislative Assembly (including the Chief Minister, Deputy Chief Minister, and other Ministers and members of the Legislative Assembly holding particular roles);
- The Head of Service, Directors-General and ACT Public Service Executives;
- Full-time Statutory Office Holders, referred to in Section 10(1) and Schedule 1, Part 1.2 of the *Remuneration Tribunal Act 1995*, including the Clerk of the Legislative Assembly, the Auditor General and Electoral Commissioner; and
- any other positions that have been referred to the Tribunal for consideration.

This is the Government Submission into the 2018 Autumn Review and is made without prejudice.

Context

In undertaking the 2018 Autumn Review, the Government encourages the ACT Remuneration Tribunal (the Tribunal) to consider community standards, and the Territory's current fiscal position and the forward estimates when assessing the remuneration, allowances and other entitlements of the Members of the Legislative Assembly (MLA), the ACT Public Service (ACTPS) Senior Executive Service (SES) and Statutory Office Holders. Equally, it is important that these considerations are balanced by the need of the Territory to attract and retain high calibre individuals needed to deliver quality public services.

A moderate rate of remuneration growth is expected. The Government is committed to its fiscal responsibility. In making determinations for the above offices, it is useful for the Tribunal to note that the Government has an election commitment to ensure that public officials continue to see their wages increase at a rate equivalent to the Consumer Price Index (CPI).

Enterprise Agreement update

The majority of Enterprise Agreements across the ACT Public Sector have a notional expiry date of 30 June 2017. The last six monthly pay increase afforded to the ACTPS staff was 1.5% at 6 April 2017.

Negotiations over new agreements, with the exception of those for the Teaching Staff Enterprise Agreement (which has an expiry date of September 2018), commenced in November 2016.

An initial Government pay offer was made in December 2016. The offer was to maintain real wages at a rate equivalent to the consumer price index which was assessed for the year ending June 2017 to be 2.1% per annum.

Following negotiations, a new Government offer was made in November 2017. The offer provides:

- 2.5% per annum increase (plus 0.25% increase in superannuation yearly for the first 3 years);
- first payment of 2% is backdated to October 2017, with the second 0.5% payment in June 2018; and
- 1.25% increase will be paid every six months from the first full pay period in December 2018 to the first full pay period in June 2021.

The majority of Enterprise Agreements would have an expiry date of 31 October 2021.

Enterprise Agreement negotiations with unions and bargaining agents are continuing. As negotiations are still active, the Government's position may change. Further information will be

provided to the ACT Remuneration Tribunal when available. The Government is committed to ensuring that the new Enterprise Agreements are finalised as soon as possible.

Major Review: ACT Public Service Executive Remuneration, allowances and other entitlements

The Government acknowledges that the Tribunal is conducting a major review into the remuneration, allowances and other entitlements for the Head of Service, Directors-General and the ACT Public Service Executives, and that this is the first major review of this kind since the ACT moved to self-government in 1989.

The Head of Service, Directors-General and ACTPS executives play a key role in delivering the Government's agenda by leading the provision of programs and services to the ACT community. The Government recognises the importance of competitive remuneration for leaders of the public service to attract and retain the best people to lead and drive change across the Service. It is the view of the Government that the remuneration, allowances and other entitlements of these officers should continue to be commensurate with the roles and responsibilities.

The Government recognises that the ACT Public Service is in direct competition for experienced executives with the Commonwealth and other jurisdictions. If the Territory is to be well positioned to attract and retain a high performing executive workforce for the Government of the day, the remuneration, allowances and other entitlements will need to be competitive and relatively comparable.

In order for the Territory to be competitive, wage comparability to the Australian Public Service is an important factor and it appears from the Tribunal's discussion paper that this is being carefully considered.

The Government is pleased that the Tribunal does not want the executive remuneration, allowances and other entitlements to be considered a barrier to attracting and retaining quality professionals, as outlined in their discussion paper.

The Government requests that the Tribunal take into consideration the benefit of the ACTPS to remain competitive with other services.

The Government will be looking at the rates of allowances that apply to executives which are contained in the *Public Sector Management Standards 2016*, so that the base salary determined by the Tribunal, and these allowances work effectively with each other to provide a total remuneration package that is competitive to retain the executive workforce and attract individuals from other jurisdictions.