



Submission to the ACT Remuneration Tribunal 2024 Autumn Review

January 2024

Background

The ACT Remuneration Tribunal (the Tribunal) advertised the 2024 Autumn Review on 15 December 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 2024 Autumn Review, and it is made without prejudice.

Context

The Government notes the outcomes of the:

- 2023 Autumn Review, held in May 2023, at which the Tribunal determined to provide an increase of 3.5% to the remuneration of position holders. The Tribunal noted that it had balanced the community standards and expectations and noted the advice that the then economic circumstances of the Territory were robust as well as the anticipated movements in wages locally and nationally. 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;
- 2023 Spring Review, held in October 2023, at which the Tribunal determined to provide an increase of 3.5% 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;

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 COVID-19 health and economic crises, as well as the ongoing impact of international economic shocks. The ACT Government further notes that its fiscal position, while now recovering, was significantly negatively affected by the necessary health, community and business supports it put in place through the initial phases of the pandemic and lockdowns.

In this context, the Government highlights the importance of reflecting community expectations, the proportion of ACT Budget devoted to public sector salaries, and the need to continue to repair the ACT's fiscal position over the medium term, in its determinations.

The Government also draws to the Tribunal's attention the future Commonwealth tax settings for higher income earners. While the Federal Government has announced amendments to tax setting changes across income levels legislated by the previous Government, this will still result in significant tax savings for MLAs, senior executives and other office holders, from July 2024.

The Government is appreciative of the important contribution and achievements of these office-holders over the preceding 12 months, and a balanced and moderate approach to increases to remuneration increase would recognise this contribution.

Remuneration under Enterprise Agreements

The Government is in the process of finalising 2023-2026 enterprise agreements across the ACTPS.

Those agreements that have been finalised are:

- *ACTPS Administrative and Related Classifications Enterprise Agreement 2023-2026*
- *ACTPS CIT General Staff Enterprise Agreement 2023-2026*
- *ACTPS Correctional Officers Enterprise Agreement 2023-2026*
- *ACTPS Education Directorate Teaching Staff Enterprise Agreement 2023-2026*
- *ACTPS Infrastructure Services Enterprise Agreement 2023-2026*
- *ACTPS Legal Professionals Enterprise Agreement 2023-2026*
- *ACTPS Office of the Legislative Assembly Enterprise Agreement 2023-2026*

As of January 2024, the ACTPS enterprise agreements being finalised as part of the current round are as follows:

- *ACTPS ACT Ambulance Service Enterprise Agreement*
- *ACTPS CIT (Educators) Enterprise Agreement 2023-2026*
- *ACTPS Cultural Facilities Corporation Enterprise Agreement 2023-2026*
- *ACT Legislative Assembly Members' Staff Enterprise Agreement 2023-2026*
- *ACTPS Medical Practitioners Enterprise Agreement*
- *ACTPS Nursing and Midwifery Enterprise Agreement*
- *ACTPS Support Services Enterprise Agreement 2023-2026*
- *ACTPS Technical and Other Professionals Enterprise Agreement 2023-2026*
- *ACTPS Transport Canberra Operations (ACTION) Enterprise Agreement 2023-2026*

Many of these agreements are now in the process of balloting or Fair Work Commission review.

As previously outlined in the Government's submission to the 2023 Autumn Review, the enterprise agreements feature a departure from the traditional percentage-only increase, and, in the context of a high consumer price index and cost of living pressures, have been deliberately structured to provide the highest pay increases to the lowest-paid workers. The agreements combine multiple fixed-dollar increases over the life of the agreement as well as percentage increases. This means that every year (from 2023 to 2025) 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 paid an initial \$1,250 cost of living supplement payable upon enterprise agreement commencement. Part-time and casual employees who work 0.5 full-time equivalent (FTE) and above received 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 enterprise agreements also include:

- a 0.5% increase to the Superannuation Guarantee from 1 July 2025 (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).

The enterprise agreements, once agreed, had pay rises apply from the first full pay period in January 2023. Any relevant back pay has been paid as soon as possible upon the successful ballot, Fair Work Commission approval and commencement of the relevant agreement.

In addition to the enterprise agreements, 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 provided employees working at the Senior Officer B and A levels (and equivalent classifications) access to flextime arrangements. This arrangement is intended to ensure that hours of work are appropriately managed. The Government notes that there is no equivalent flextime leave or recovery leave arrangements for members of the ACTPS Senior Executive Service.

Conclusion

In undertaking the 2024 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 has emerged from the COVID-19 pandemic and our focus has been on rebuilding our economic, social and community resilience. The Government notes the inflation has continued to moderate. It is the Government's opinion that a balanced and moderate approach to increases to remuneration, allowances or enhancement of other entitlements for position holders in the Tribunal's jurisdiction would be appropriate.

Thank you for the opportunity to provide a submission for the Autumn 2024 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.