

Back to the Public Sector Salaries Cap

Thank you to the members of the PSA who have been getting active in their workplaces, online, with your local politicians, in your community and those who have taken action in the last few months over your union's salary claim. These efforts have caused the NSW Government to reconsider its 31 March 2021 1.5 per cent wages policy and restore the 2.5 per cent wages cap.

In April we surveyed members and 90 per cent of members responded with: "I support the PSA's claim and want my union to fight for 2.5 per cent (2.04 per cent in salary and salary-related allowances plus the legislated 0.5 per cent superannuation increase)".

The PSA is the first union to have lodged its salaries claim in the Industrial Relations Commission (IRC). We have been advocating for the 2.5 per cent pay rise on the basis that a 1.5 per cent pay rise is inadequate, would lead to a real wage pay cut and does not take into account productivity/efficiency gains. Following the State Budget, we received a without prejudice offer to accept our wages proposal of 2.04 per cent plus superannuation in a new Award, subject to a no extra claims clause and the making of a new award for 12 months.

This is a good win for the hard-working members of the public sector who keep supporting NSW from drought, fire, floods, the latest outbreak of COVID-19 and a crippling mouse plague that is harming regional communities and even causing some of our workplaces to be closed for safety reasons.

Can the PSA claim more?

The Wages Cap stops us claiming more than 2.5 per cent per year without giving away conditions.

Next steps

The PSA is seeking clarification regarding defined benefit super and the no extra claims clause. These may affect members and the matter is listed in the IRC at the end of July where we hope the award will be made. The PSA is also currently preparing the follow on awards.

What about the National Wage Case?

The Fair Work Commission handed down a 2.5 per cent pay rise on Wednesday in the National Wage Case. This affects approximately 4 million workers on federal modern awards and anyone on the minimum wage, as well as people on certain enterprise agreements with clauses that flow the national wage increase to them. Some workers will have the benefit of the pay rise on July 1 whilst others will have their pay rise delayed due to the industry in which they work. Interestingly the Fair Work Commission in its decision expressed frustration at the small pay rise outcomes coming out of state governments.

This is a national system decision of the Fair Work Commission under the jurisdiction of the *Fair Work Act 2009 (Cth)* and does not directly affect members in the public sector of NSW Government, who are covered by the jurisdiction of the *Industrial Relations Act 1996 (NSW)*.

Timing of a pay rise and retirement/resign decisions to take advantage of the pay rise

Every year the union office is contacted by members about when is the best time to retire during salary increase negotiations to take advantage of a proposed pay rise (for accumulated leave pay out or for superannuation purposes).

Everyone's circumstances are different and we cannot advise members on best time to retire.





25 June 2021

Back to the Public Sector Salaries Cap

However, in a normal year when there is an agreement on a pay rise before July 1, when it is predetermined that a pay rise will be paid from the first full pay period of July, you would need to resign/retire after this date (usually later in July) in order to seek the benefit of this pay rise. The union is in now discussions with the Government and the award is listed on 28 July where we hope to have an agreed consent position on the award. As part of the offer the Government has agreed to back-date the pay rise to the first pay period on or after 1 July 2021.

As soon as the negotiations reach progress and agreement on these issues we will inform members. Unfortunately, the legislation does not ensure until agreement is reached when the indexation will occur.

Note: This is general industrial advice about the current situation for the salaries claim, and is not financial advice and should not be relied upon for making financial decisions.

