



PUBLIC SECTOR WORKPLACE RELATIONS POLICY 2020

WHAT'S IN THE NEW FEDERAL PUBLIC SECTOR BARGAINING POLICY? A detailed guide for CPSU members

WHAT IS THE CHANGE?

In November 2020, the federal government announced a new wages policy for federal public sector employees. The previous policy (Workplace Bargaining Policy 2018) provided for a maximum wage increase of 2% per annum. The Public Sector Workplace Relations Policy 2020 removes the 2% p.a. cap and replaces it with a new pay cap, which will be annual seasonally adjusted Wage Price Index (WPI) – Private sector, for the most recently published June quarter (Public Sector Workplace Relations Policy [PSWRP] 2020, par 21).

You can [view the Public Sector Workplace Relations Policy 2020 on the APSC website](#).

WHAT IS THE PRIVATE SECTOR WAGE PRICE INDEX?

The WPI is one means of measuring wage growth in Australia. It captures changes in the price of labour in the Australia labour market. The WPI was at historic lows since before the pandemic recession, reflecting a real long-term problem with slow wage growth in the Australian labour market.

The Australian Bureau of Statistics gathers data using a survey, and then measures price changes in a fixed “basket” of jobs, much like changes to the price of goods and services are measured by the Consumer Price Index. Data is gathered for the entire labour market, the public sector, and the private sector.

WHAT DOES THIS MEAN FOR PAY?

- **Pay increases will be unknown at the time you vote on them.** The new Bargaining Policy ties federal public sector pay rises to annual changes in private sector wages, to be calculated at a later date. Under this policy, employees will be required to vote on an agreement that leaves future pay rates unknown.
- **Pay increases will fluctuate year to year.** The maximum pay increase payable in each year of an enterprise agreement or determination will be capped at the annual WPI for the private sector for the most recent June quarter. For example, if you negotiated an

WOULD YOU VOTE FOR A MYSTERY PAY DEAL?

| Classification | Current Salary | Salary including first pay rise on commencement | Salary from first anniversary of commencement date | Salary from second anniversary of commencement date |
|----------------|----------------|--|--|---|
| | | <i>Private sector WPI to be announced by APSC.</i> | | |
| APS1 | \$46,621 | ? | ? | ? |
| APS2 | \$52,098 | ? | ? | ? |
| APS3 | \$57,752 | ? | ? | ? |
| APS4 | \$64,368 | ? | ? | ? |
| APS5 | \$71,790 | ? | ? | ? |
| APS6 | \$78,469 | ? | ? | ? |
| EL1 | \$99,400 | ? | ? | ? |
| EL2 | \$115,028 | ? | ? | ? |



agreement right now, the maximum pay increases would be:

- » Year one: 1.7% (annual WPI for private sector, June quarter 2020), if the pay increase is payable by 31 August 2021. The percentage increase for pay rises payable after 1 September 2021 is currently unknown.
- » Year two: unknown
- » Year three: unknown

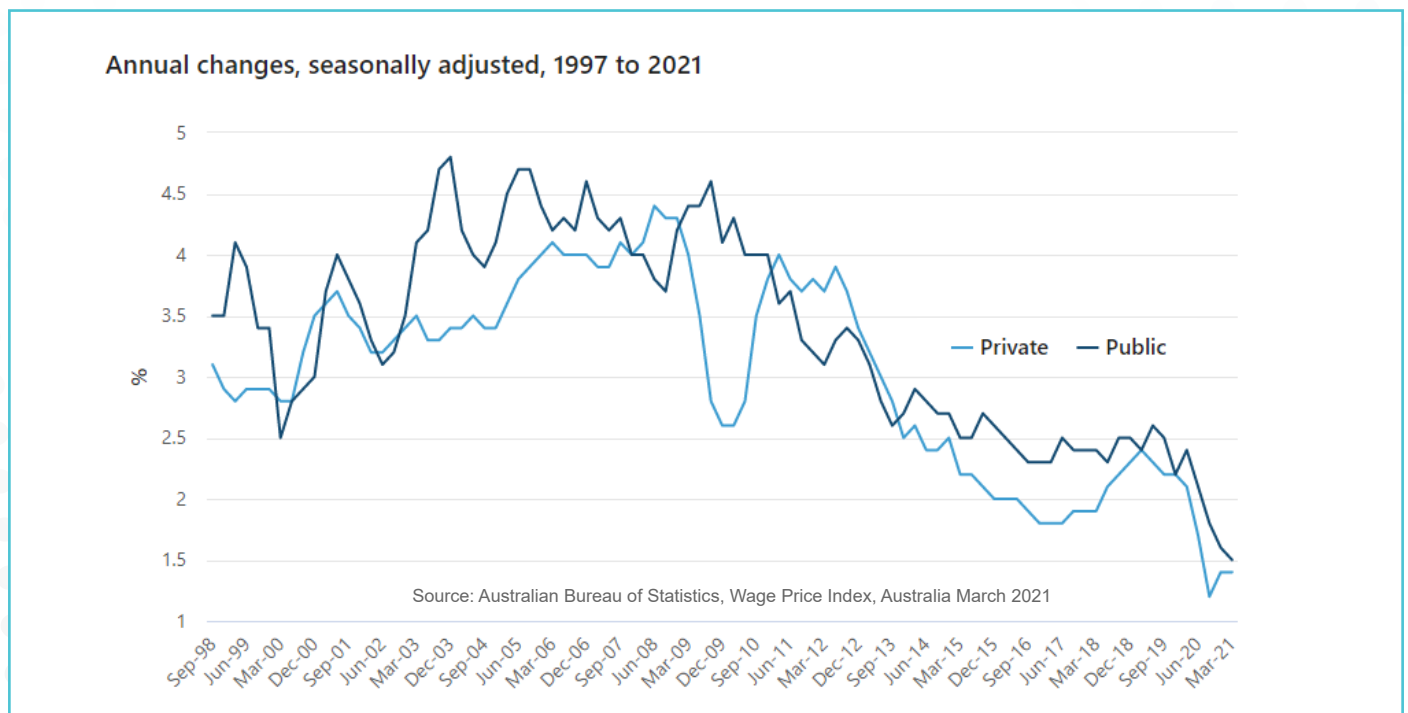
- **Wages are at a historic low.** The WPI has been at historic lows for some time, and has dropped to even lower levels since the pandemic recession.
- **Pay is not negotiated.** Under the new Bargaining Policy, pay cannot be genuinely negotiated by unions, workers and agencies, instead, it is dictated by government.

Employees will effectively be asked to vote on a mystery pay deal, not knowing what's in store for each year of the agreement.

THIS IS A DECISION BY GOVERNMENT TO HOLD BACK WAGES ... FOR ALL AUSTRALIAN WORKERS

The new Bargaining Policy is extremely problematic for federal public sector workers, but it is also a problem for workers everywhere.

The Reserve Bank has recognised that this Government's wages policy for the federal public sector will hold back economic recovery across the board, cementing low wages growth across both the private and public sectors.



Australia's economic recovery from the COVID recession demands action on historic low wage growth. The government's new bargaining policy is the opposite of what our economy needs.

Read more about why [federal public sector wage increases are important for Australia's economic recovery](https://bit.ly/apspayrise) at bit.ly/apspayrise

GENUINE BARGAINING

VS

BARGAINING IN THE APS

UNDER THE NEW BARGAINING POLICY ...

Unions and agencies have a starting position on pay. The final outcome is a compromise on both sides.



Pay can't be genuinely negotiated and pay outcomes are unknown when the agreement is voted on.

Positive changes to conditions can be agreed, to keep up with a changing workplace in a changing world.



The Government applies a "no enhancements" rule, making positive changes to enterprise agreements difficult.

Your rights and entitlements are contained in enterprise agreements and are guaranteed for the life of the agreement.



The Government tries to push your rights and entitlements into policy, which the employer can change overnight.

WHAT ABOUT CONDITIONS?

The new Bargaining Policy continues the approach of the previous policy, making improvements to conditions very difficult.

- **"No enhancements"** – the new policy continues this rule, making it difficult to achieve sensible improvements to enterprise agreements (PSWRP 2020: par. 49).
- **Shifting conditions into policy** – the government continues to push rights and entitlements into policy which the employer can change overnight (PSWRP 2020: see paragraphs 32-39)).
- **Consultation under attack** – agencies that have started bargaining under the new Bargaining Policy have been forced to water down consultation rights, with the government saying that agencies should no longer be required to reach agreement with consultative committees on basic consultation processes. This means agencies can do what they like, and water down or remove important consultation protections that were put in place in the last bargaining round.

THIS ISN'T GENUINE BARGAINING

Many members have commented that this isn't genuine bargaining. Unions, employees, and agencies have very little say over outcomes under this policy; instead, outcomes are determined by government.

- The pay cap means pay cannot be genuinely negotiated by unions, employees and agencies.
- The "no enhancements" rule means that conditions improvements are all but off the table.
- The government continues its push to remove important rights and conditions from enterprise agreements and place them in policy, which the employer can change overnight.
- Agencies cannot even talk to employees and their representatives about pay and conditions without the prior approval of the Public Service Commissioner (PSWRP 2020: par 9-10).

This isn't fair. And it isn't genuine bargaining.

WHAT DOES THIS MEAN FOR MY AGENCY?

The new policy will not apply to existing APS agency agreements and determinations. It applies to new enterprise agreements and determinations. Any pay rises that have already been agreed will still be paid.

Determinations currently in place continue to apply. These determinations provide for pay increases of 2% p.a. in line with the Workplace Bargaining Policy 2018, and include agencies such as Services Australia, the Australian Taxation Office, the Department of Home Affairs, the Department of Defence, and the Department of Agriculture, Water and Environment, among others. The Public Sector Workplace Relations Policy 2020 will apply in those agencies as determinations come to an end in 2022 and 2023.

WHEN WILL BARGAINING TAKE PLACE?

In late 2022 and early 2023, the majority of Australian Public Service employees will be on expired enterprise agreements and will have exhausted pay increases under determinations made prior to the change in the wages policy.

This includes:

| Agency | Enterprise Agreement nominal expiry date | Determination |
|--|--|--|
| 1 Department of Agriculture, Water and the Environment | 25/07/20* | 30/11/19 – 2% 30/11/20 – 2%* 30/11/21 – 2% |
| 2 Australian Taxation Office | 03/08/20 | 04/08/20 – 2%* 04/08/21 – 2% 04/08/22 – 2% |
| 3 Defence | 16/08/20 | 20/08/20 – 2%* 19/08/21 – 2% 18/08/22 – 2% |
| 4 Services Australia | 02/11/20* | 03/11/20 – 2%* 03/11/21 – 2% 03/11/22 – 2% |
| 5 Home Affairs | 08/02/21** | 09/08/21 – 2% 09/02/22 – 2% 09/02/23 – 2% |

We know that where we can coordinate our campaign across the federal public sector, members can stick together and have the best chance of delivering better outcomes. We have that opportunity in late 2022, early 2023. Members covered by a Public Service Act determination still have bargaining rights under the Fair Work Act, and could choose to bargain at the same time as the major APS agencies.

WHAT ABOUT THE GOVERNMENT'S WAGE DEFERRAL DECISION?

Where agencies have not yet implemented the government's wage deferral decision of 9 April 2020, the first pay rise under a new instrument must be delayed by 6 months (PSWRP 2020: par. 26). Where wage deferral has already applied, the first pay rise under a new instrument can apply from commencement.

ARE THERE OTHER CHANGES TO THE BARGAINING POLICY?

The key change to the bargaining policy is the change to wages policy; the remainder of the policy remains unchanged. There is a new requirement for agencies to report on SES remuneration where requested by the Public Service Commissioner (PSWRP 2020: par. 31).

WHAT HASN'T CHANGED?

The bargaining policy continues to:

- Prevent agencies from agreeing to 'enhancements' (i.e. making the agreement better for employees), unless there is a trade-off which is cost-neutral and provides a measurable benefit to the agency (PSWRP 2020: par. 49).
- Prevent agencies from agreeing to pre-decision consultation on workplace changes (PSWRP 2020: par. 43).

* Pay rise deferred for 6 months in accordance with the government's 6-month wage deferral decision of 9 April 2020.

Public Service Act Determinations have been put in place for these agencies due to them being significantly affected by Machinery of Government changes.

** Workplace Determination made by the Fair Work Commission following the termination of industrial action.

- Prevent employees from genuinely bargaining for better job security by banning content that restricts the use of contractors, labour hire or contingent workers (casuals) (PSWRP 2020: par. 39).
- Ban back pay, even if delays in bargaining are clearly the employer or government's fault (PSWRP 2020: par. 28).
- Ban sign-on bonuses (PSWRP 2020: par. 29).
- Undermine collective bargaining by encouraging the use of individual flexibility arrangements (PSWRP 2020: par. 17).
- Require that the agreement must be at least three years (PSWRP 2020: par. 40).
- Include tight PS Commissioner control over the bargaining process. This approval is required:
 - » Before a pay offer is tabled (PSWRP 2020: par. 9).
 - » Before a final draft enterprise agreement is provided to bargaining representatives (PSWRP 2020: par. 11).
 - » For any 'enhancement' that is to be traded under the 'no overall enhancement' rule (PSWRP 2020: par. 10).
 - » Before any arrangement outside of the enterprise agreement is entered with a union. This is about making it harder for agencies to reach so-called 'side deals' – which are the Terms of Reference and Protocols documents that agencies used in the last round to protect consultation, delegates' rights and other conditions. These documents aren't prohibited but the new policy says they must be approached 'with caution'. (PSWRP 2020: par. 7).

WHAT'S NEXT?

The new policy means we will need to be organised and all working together to get the pay and conditions you deserve. We need to shift the government's position so that bargaining in the federal public sector is genuine and fair.

WHAT CAN YOU DO?



- **Put up posters in your workplace.**
- Let others know about the new Bargaining Policy by giving them a copy of this fact sheet.
- **Join the CPSU.**