

PUBLIC SECTOR WAGES POLICY 2009

INTRODUCTION

1. This policy establishes the general bargaining framework that is to apply for all public sector wage negotiations. The framework clarifies the roles and responsibilities of key stakeholder agencies, and establishes the approved negotiating parameters to be observed.

TERM

2. This policy applies to all agreements expiring after 1 July 2009, and remains in force until replaced. The Government will determine the application of this policy to agreements expiring prior to 1 July 2009.

WAGES

3. The Government seeks to achieve public sector wage outcomes that are industrially and economically sustainable, and reflect Government priorities.
4. This is given effect by:
 - (a) Maintaining the real value of wages by increasing wages by an amount equivalent to the projected growth in the Perth Consumer Price Index (CPI), as published from time to time by the Department of Treasury and Finance.
 - (b) Requiring any increases above projected CPI growth to be linked to improved efficiency / work practice reform initiatives, assessed on a case-by-case basis by the Economic and Expenditure Reform Committee ("EERC") and included within the proposed agreement. The business case for wage increases in excess of CPI growth must be justified by quantitative assessments of the value of improved efficiency / work practice reform initiatives where this is feasible.
 - (c) Capping total wage increases (incorporating both projected CPI and any additional amount for improved efficiency / work practice reform initiatives) at an amount equivalent to projected growth in the WA Wage Price Index (WPI) for all sectors, as published from time to time by the Department of Treasury and Finance.
5. Retrospective wage increases are not to be offered or included within agreements. The earliest a wage increase may apply from is the latter of:
 - (a) the expiry date of the previous agreement (if any); or
 - (b) the date *in principle* agreement is reached between the negotiating parties for a new or replacement agreement (providing it is subsequently registered);
6. Wage offers should explicitly state that increases will not be provided to employees who leave an agency before an agreement is registered.

7. Wage increases in agreements should:
 - (a) be expressed as percentage increases;
 - (b) be payable from the “first pay period beginning on or after” key dates; and
 - (c) not be linked to external variables that cannot be determined at the time of registration, including minimum and award wage case decisions.
8. The term of agreements will depend on an assessment of the economic, financial and industrial considerations at the time.

FUNDING ARRANGEMENTS

9. With the exception of self-funded agencies, additional funding required to meet increases for public sector agreements will be from the consolidated account. The EERC will assess the value of any improved efficiency / work practice reform initiatives at the time of approving any agreement providing for increases in excess of projected CPI growth.

BARGAINING PROCESS

10. This section clarifies the planning process and roles and responsibilities of key stakeholder agencies in negotiations, and is read in conjunction with the Premier’s Circular on the *Coordination of Public Sector Labour Relations*, as amended from time to time [available from the Department of Premier and Cabinet’s website at <http://www.dpc.wa.gov.au/PSMD/Governance/PremiersCirculars>].

Planning For Negotiations – Bargaining Coordination Committee

11. To facilitate a cooperative, collaborative and timely whole-of-government approach to negotiations, a bargaining coordination committee (“BCC”) is to be established at the commencement of planning for new industrial agreements.
12. Representation on the BCC will consist of at least one person from the following agencies:
 - The employing agency (except in circumstances of cross agency agreements)
 - Department of Commerce, Public Sector Labour Relations Directorate (“**PSD**”)
 - Department of Treasury and Finance (“**DTF**”)
 - Public Sector Commission (“**PSC**”)
13. In the case of cross agency agreements, agency representation will be provided by the PSD.
14. It is envisaged that each BCC will include people experienced in an aspect of the planning and negotiation process. It may also include others who are expected to take a lead role in negotiations in future years.
15. The extent to which the BCC remains involved with the development of bargaining parameters for new agreements will depend on the circumstances that exist at the time.

16. In the case of single agency agreements, face-to-face negotiations with unions will continue to be conducted by the employing agency, with the assistance of the PSD. The PSD will determine the level of its involvement as it deems appropriate.
17. The BCC is to liaise with the State Solicitor's Office ("SSO") on matters requiring legal advice or representation, particularly where there is a potential for arbitration.
18. The BCC will ensure that appropriate Media and Communications Offices are involved and that a communication strategy has been developed for high profile agreement negotiations.

Roles of the Parties Involved

Employing Agency

19. In the case of single agency agreements, the employing agency is expected to be involved in all parts of the planning and negotiation process. The agency holds specialist knowledge regarding its particular work environment, and its participation in the process is important.
20. The employing agency facilitates the provision of relevant information to the BCC regarding union claims, comparative data and proposed responses, including cost estimates.
21. The employing agency develops proposed bargaining parameters, including any improved efficiency / work practice reform initiatives to be negotiated or implemented. It prepares submissions for the review of the BCC, and ultimately, the approval of the relevant Minister, EERC and Cabinet.

Department of Commerce, Public Sector Labour Relations Directorate

22. The PSD provides expert advice regarding historic and contemporary industrial relations matters. It provides advice with respect to current industrial relations strategies and initiatives, and ensures that precedent and flow-on effects of negotiations across the Public Sector are considered.
23. Proposed wage outcomes, improved efficiency / work practice reform initiatives, employment conditions and negotiation strategies are all subject to the comment of the PSD, which prepares submissions to the EERC and Cabinet accordingly.
24. Consistent with the Premier's Circular on the Coordination of Public Sector Labour Relations as updated from time to time, the PSD represents the Government in all face-to-face bargaining that involves cross agency negotiations, as well as single agency negotiations as it considers appropriate.

Department of Treasury and Finance

25. The DTF brings economic and fiscal expertise to the bargaining process. It assists with the preparation of bargaining parameters, and reviews costings and any improved efficiency / work practice reform initiatives developed.
26. All costing and funding aspects of industrial agreements are reviewed or prepared by DTF for submission to the EERC and Cabinet. The DTF assesses the longer-term impact of industrial agreement funding, including the economic context and duration of an agreement. It provides strategic advice regarding negotiation strategy in this respect.

Public Sector Commission

27. The PSC provides strategic advice regarding the workplace reform agenda for the State Public Sector. This includes consideration of the potential impact negotiations may have on other whole-of-government initiatives.

State Solicitor's Office

28. The SSO provides legal advice and/or representation to agencies and Government, as required.

Economic and Expenditure Reform Committee and Cabinet

29. The EERC endorses, and refers to Cabinet for approval, all bargaining parameters. No offer can be made formally without the endorsement of EERC and approval of Cabinet. All offers must be made within approved bargaining parameters.

PROCESS

30. Agency forward planning for bargaining is to commence at least 12 months in advance of an agreement expiring, to enable detailed bargaining strategies to be endorsed by Government before formal negotiations are due to commence.
31. A guideline process is outlined below for the benefit of all parties involved. In the case of cross agency agreements, the PSD will represent the agencies involved.

Bargaining Process Guidelines Key Milestones, Responsibilities and Timeframes		
Timeframe (Months prior to date of expiry)	Action	Responsibility
At least 12 Months	BCC group formed between DTF, PSD, PSC and Agency, and initial meeting held.	Agency / PSD
	Agency to provide summary, and where practicable quantification, of improved efficiency / work practice reform initiatives proposed for the agreement to BCC.	Agency
	Agency to provide national comparative wage and conditions data for its occupational groups to BCC.	Agency
11 months	BCC meetings held to discuss comparative data, improved efficiency / work practice reform initiatives, negotiation strategy and communication strategy.	BCC
9 -10 Months	Bargaining Parameters Paper prepared by the Agency and provided to the BCC for review.	Agency / BCC
8 Months	Any recommended changes incorporated into Bargaining Parameters Paper and forwarded to the relevant Minister for approval.	Agency / BCC
At least 7 Months	Bargaining Parameters Paper submitted to EERC and Cabinet for endorsement and approval.	Agency / BCC
6 Months	When received, Union claim to be analysed, costed and a position on each item prepared and provided to the BCC.	Agency
	Negotiation meetings with Union commence. Initial meetings used to clarify aspects of the Union's and Employer's claims.	Agency / PSD
6-4 Months	Proposed Offer to Union developed, and where necessary, new EERC submissions submitted.	Agency / BCC
3-4 Months	Feedback from EERC / Cabinet to BCC. Offer amended as required and presented to Union.	EERC / BCC / Agency
0-3 Months	Should a negotiated outcome not appear possible, SSO may be involved, as required (this does not preclude earlier assistance being obtained from SSO as the matter requires).	BCC / SSO
0 Months	Registration of an Agreement, or if necessary, further assistance.	BCC / Agency / SSO / WAIRC / EERC

EMPLOYING AGENCY

32. For assistance with any part of this wages policy, please contact your representative at the PSD or DTF.