

Department of Premier and Cabinet

STATE SERVICE MANAGEMENT OFFICE

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Mr Tim Abey
The President
Tasmanian Industrial Commission
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Dear Mr Abey *President*

PARLIAMENTARY SALARIES AND ALLOWANCES

The Tasmanian Industrial Commission (TIC) has previously noted the potential consequences of movements in Parliamentary salaries and allowances for public sector salaries and vice versa. As the State Service Management Office is closely involved in all State Service wage negotiations, and provides a support function to the Public Sector Industrial Relations Committee, I consider it appropriate to provide you with information on increases in State Service salaries since March 2011.

This was the time of the finalisation of significant adjustment to those salaries and structures, and since the last adjustment to Parliamentary salaries in July 2010. Since this time, successive governments have generally had a policy of limiting headline wage growth in the State Service to about two (2) per cent per annum.

You would be aware that different occupational groups covered by different Awards have variations to the quantum of increases that have applied. As a result, there are a number of ways of examining increases in State Service salaries and these are illustrated in Attachments 1, 2 and 3 as follows:

- Attachment 1: This updates the comparisons shown in Table 5 of the Issues Paper provided by the Tasmanian Industrial Commission. This displays movements in salaries for representative State Service positions from March 2011 to December 2015 of 9.9 per cent to 13.6 per cent.
- Attachment 2: This shows headline movement in base salaries as a result of Industrial Agreements covering the general State Service, after the significant salaries and restructuring adjustments as a result of Public Sector Union Wages Agreement (PSUWA) 2004 to December 2015 (PSUWA 2013). This involves base salary increases of a minimum 10 per cent for employees covered by the Tasmanian State Service Award (TSSA).
- Attachment 3: This models increases, including Industrial Agreement increases, annual increments and additional ranges within Bands, that an employee would have actually received in salary for selected TSSA classification levels from March 2011 until December 2015 (8 years).

The range of increases for this period was 10.4 per cent to 24.7 per cent with the largest increases occurring as a result of broad-banding at particular levels.

Attachment 4: It is also considered appropriate to provide details of movements in salaries for the Tasmanian State Service Senior Executive Service (SES) for a similar period as the other State Service employees. As indicated, the salary increases over this period for SES (and Heads of Agencies) was 9.9 per cent at the baseline although SES have the ability to move annually within the range at 2 per cent per annum based on performance.

It should also be noted that we will enter into a new round of Agreement negotiations with public sector unions in 2016 covering a significant portion of the State Service workforce.

It is not intended to provide further submissions in writing or orally.

Thank you for the opportunity to have input and your acceptance of this submission after 23 October 2015.

Yours sincerely



Frank Ogle
Director

STATE SERVICE MANAGEMENT OFFICE

29 October 2015

Attachments

- 1 State Service and Parliamentary comparisons
- 2 Salary movement in the State Service – General Stream
- 3 Salary increases, including salary progression
- 4 Tasmanian State Service Senior Executive Service salaries increases

Attachment I

STATE SERVICE AND PARLIAMENTARY COMPARISONS

This table compares salary movements for Tasmanian Members of Parliament (MPs) with representative State Service positions.

Date	Basic Salary MPs	TSSA Band 8 RI-I	Registered Nurse Gr 3 max	Teacher Grade I Level 12	Police Commander Level I (Award)
1 March 2011	111 633 ⁽¹⁾	98 977	67 111	82 533	130 082
1 July 2015	120 835	109 279	74 754	90 682	143 024
1 Dec 2015	120 835	111 465	76 249	90 682 ⁽²⁾	143 024
% Change since 1 March 2011 to 1 December 2015	8.3%	12.7%	13.6%	9.9%	9.9%

(1) Basic salaries for MPs in the State Service from 1 July 2010

(2) Teachers due for 2.0% per annum in March 2016

Attachment 2

SALARY MOVEMENT IN THE STATE SERVICE – GENERAL STREAM (TSSA)

Agreement	Date	Increase
PSUWA 2011	1 December 2011	Greater of 2.0% or \$1 000 per annum
	1 December 2012	Greater of 2.0% or \$1 000 per annum
PSUWA 2013	1 December 2013	2.0%
	1 December 2014	2.0% plus additional 0.5% at maximum
	1 December 2015	2.0% plus additional 1.0% at maximum
% Base salary increases from 1 March 2011 to 1 December 2015		Minimum 10%

Attachment 3

INCREASES INCLUDING INDUSTRIAL AGREEMENTS AND SALARY PROGRESSION

	March 2011 \$	December 2015 \$	% Increase
Band 3			
B3-R1-1 to B3-R1-5	51 832	62 289	20.2%
B3-R1-5 to B3-R1-5	56 418	62 289	10.4%
Band 4			
B4-R1-1 to B4-R2-3	58 179	71 887	23.6%
B4-R2-4 to B4-R2-5	67 288	75 410	12.1%
Band 6			
B6-R1-1 to B6-R2-3	76 016	94 782	24.7%
B6-R2-4 to B6-R2-5	87 325	97 646	11.9%
Band 8			
B8-R1-1 to B8-R2-3	98 977	119 047	20.3%
B8-R2-2 to B8-R2-3	106 612	119 047	11.7%

Attachment 4

TASMANIAN STATE SERVICE SENIOR EXECUTIVE SERVICE (SES) (BASE SALARIES)

	March 2011 \$	December 2015 \$	% Difference
SES 1 minimum	110 455	121 318	9.9%
SES 2 minimum	130 275	143 088	9.9%
SES 3 minimum	157 247	172 713	9.9%
SES 4 minimum	189 350	207 973	9.9%