



2009 AEU Schools Enterprise Agreement - Circular 4

PLEASE BRING THIS MATERIAL TO THE ATTENTION OF ALL AEU MEMBERS

SPECIAL COUNCIL ENDORSES PROPOSED ENTERPRISE AGREEMENT SETTLEMENT. FORMAL BALLOT STILL TO COME.

This Circular contains important information about the current Schools Enterprise Agreement negotiations.

Special Branch Council met on Tuesday 30 June to debate endorsement of the outcome of Enterprise Agreement. Following discussion and debate, Special Council carried the following resolution:

Decision of Special Branch Council – 30 June 2009

Special Branch Council endorses in principle the outcome of negotiations between AEU Officers and employers for new Enterprise Agreements for DET and CIT. Senior Officers are authorised to undertake the work required to incorporate the negotiated outcomes into formal agreement documents, and to undertake other steps necessary to comply with the requirements of Fair Work Australia for conduct of a ballot of employees.

In endorsing this outcome, Special Council asserts the following:

- i. The salary quantum is insufficient and will not close the growing gap at a number of salary points between salaries paid in the ACT and interstate rates. The starkest example of this is the \$15,000 differential by the end of the agreement between ACT Deputy Principals and their counterparts in NSW;*
- ii. The small salary offer has not been off-set by adequate improvements in either entitlements or workload;*
- iii. The acceptance of this outcome represents a significant contribution by ACT public education teachers to wage restraint in the current global economic climate;*
- iv. Endorsement of the proposed settlement is given on the expectation that future agreements will recognise the goodwill exhibited by teachers at this time and consequently provide for better outcomes.*

*In recognition that the outcome of this bargaining round is insufficient, the AEU commits to conducting an extended campaign to seek community and political support to increase the ACT Government's investment in public education. The AEU Office is directed to develop a campaign strategy for approval of Branch Council using the AEU's Claim as the blueprint for future investment in public education. The strategy **will not include industrial action** and will be used at sub-branch/workplace level and with groups such as school boards, politicians, parent organisations, industry groups, the media and supporters of public education to build understanding of the issues, support for the AEU's position in future bargaining rounds, and achieve greater levels of government funding for ACT public education.*

The AEU has formally advised DET of this decision. The AEU understands that the settlement proposal will be formally considered by ACT Government Cabinet next week.

The proposed Agreement will need to meet all of the requirements of the new Fair Work Australia Act 2009, and be put through a formal ballot process before any payments can flow, so it is likely to be a little while yet before members see the increase from 1 July 2009 appear in their pay packets. More advice on the timing of payments will be provided as this matter becomes clearer.

What does the settlement proposal mean for my salary rate?

The proposal for a 2-year Agreement for the Schools sector endorsed by the Special Council meeting provides a 6% salary increase over the life of the Agreement paid as 4 x 1.5% instalments on 1 July 2009, 1 January 2010, 1 July 2010 and 1 January 2011.

What outcome was achieved in relation to the other issues in the AEU's Claim?

Full details of the other matters covered in the settlement proposal can be found at: <http://www.aeuact.asn.au/documents/AEUAnalysisofDETNegotiationOutcomes-22June09.pdf>

Why were a number of working conditions issues not addressed?

Despite the best efforts of the AEU's negotiators, we were not successful in increasing the size of the funding pool beyond the 4 x 1.5% offer. DET advised the AEU that any improvements to conditions would have to be paid for from the pool of 4 x 1.5%, and this would of course reduce the amount of funding for salary increases remaining in the pool. With such a small pool of funding, there was no capacity to buy conditions back, and so the only feasible option was to provide the full increase across all classifications.

The task of the Working Party referred to in the proposed settlement will be critical in developing options to address workloads and better managing resources. The strategy to be developed by AEU Council for our campaign over the next 2 years will be central to building the awareness of workload issues and solutions among our own members as well as the politicians and the wider community.

Why did the Council endorse the proposed settlement even though it results in salary rates lower than those in other jurisdictions?

Essentially the decision was a judgement call between accepting the proposal or fighting an industrial campaign on the expectation of a better outcome.

Members will recall that the 2009 ACT Budget provided funding for salary increases of 2% in 2009-2010, and 2.5% in 2010-11, 2011-12, and 2012-13. DET determined that they could top these amounts up to 3% in each of the years if the AEU would agree to payment on the basis of 6-monthly instalments of 1.5%.

The Special Council considered the outcome of this proposal, and the alternative.

Endorsement of the proposed settlement: The proposal provided payment of a modest salary increase from the first available opportunity of 1 July 2009, without the need for members to engage in industrial action which would have come at a cost for each participant. The lower salary outcome could be argued as the teaching service's contribution to wage restraint in difficult economic times, and as a signal that the ACT Government needs to understand that teachers will not be prepared to be told in the next round that there is no money: ACT teachers deserve to be fairly rewarded in salary and conditions for the work they do, and they will fight for that outcome.

Rejection of the proposed settlement: The alternative – rejection of the proposed settlement – would have still required ACT teachers to undertake the campaigning referred to above, but this would be done in the context of (a) a concurrent and likely protracted industrial campaign with the attendant salary loss and no guarantee of a better outcome, (b) the certainty that the commitment to payment of a salary increase from 1 July 2009 had been lost, and (c) withdrawal of the DET commitment to top-up funding to provide 6% total in 4 x 1.5% instalments. The only certainty in this scenario was the Treasury provision of 2% and 2.5% - anything further could not be guaranteed and would likely come at a significant cost in terms of individual members' loss of salary through industrial action, as well as unpredictable community support and limited political support for our position.

What are the implications of the new Fair Work Act 2009 for the conclusion of this bargaining round?

Members may be aware that the new Fair Work Act 2009 came into effect on 1 July 2009. It is a requirement of the Fair Work Act legislation that all employees who will be covered by the new Agreement be advised of their right to appoint a bargaining representative for purposes of the negotiations. Members should expect information about this matter from DET in the near future. Where an employee is a member of a union that is entitled to represent them in work to be performed under the Agreement, then the union will be the bargaining representative for that employee unless the employee appoints another person to represent them.

The new processes may have an impact on the time required to complete drafting a new Agreement, depending on whether other bargaining agents emerge to participate in negotiations or not.

The acceptance of this outcome marks the beginning of a two year campaign to win the support of the community and the ACT Legislative Assembly to significantly increase the ACT government's investment in public education. With the ongoing active support of all members the AEU remains firmly committed to achieving this goal.