



The
Treasury

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Ref: A2118205

Mr Mark Morey
Assistant Secretary
Unions NSW
Level 3, Trades Hall
4-10 Goulburn Street
SYDNEY NSW 2000

Without Prejudice

Dear Mr ^{Mark} Morey

Following our meeting on 11 June 2014 to discuss matters in respect of applications currently before the Industrial Relations Commission for increases to remuneration (IRC 14/189 *Crown Employees (Public Sector – Salaries 2008) Award 2014* and ors), on behalf of the Industrial Relations Secretary I confirm the following:

1. The Secretary will consent to increase wages, salaries and allowances by 2.27 per cent from the first full pay period on or after 1 July 2014.
2. Should the unions withdraw their application to the High Court and accept the Court of Appeal decision of 6 May 2014, arrangements will commence immediately for the *State Authorities Non-contributory Superannuation Amendment Act 2013* to be proclaimed, enabling members of defined benefit schemes to have the 0.25 per cent increase in superannuation paid into an additional employer contribution account with effect from the first full pay period on or after 1 July 2013 and a further 0.25 per cent increase with effect from the first full pay period on or after 1 July 2014.
3. In the event that the Union application for to the High Court for special leave to appeal the Court of Appeal decision is disallowed, or a High Court appeal proceeds but is ultimately lost by the Unions, arrangements will commence for the *State Authorities Non-contributory Superannuation Amendment Act 2013* to be proclaimed, enabling members of defined benefit schemes to have the 0.25 per cent increase in superannuation paid into an additional employer contribution account with effect from the first full pay period on or after 1 July 2013 and a further 0.25 per cent increase with effect from the first full pay period on or after 1 July 2014. However this action will not take place until the appeal process is finalised.
4. In the event the Government is unsuccessful in maintaining that superannuation guarantee contribution increases are part of the 2.5 per cent increase to remuneration provided for under the NSW Public Sector Wages Policy, matters will be determined in accordance with the law, with a further maximum increase of up to 0.23 per cent in wages, salaries and allowances

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5. Federal legislation currently provides for a scheduled increase to the minimum employer superannuation contribution of 0.25 per cent from 1 July 2014. Should the federal government defer, in full or in part the scheduled increase in the minimum employer superannuation contribution, the parties will review the 2014 increase in accordance with the Wages Policy.

As has been previously advised, any additional employee related costs which arise pursuant to the *Superannuation Guarantee (Administration) Amendment Act 2012* must be absorbed in existing labour expense caps and budget allocation and agencies will not be supplemented at any stage.

As advised at our meeting, the Government's current position is that a No Extra Claims clause is required, in accordance with the commitments made above.

Yours sincerely



Vicki Telfer
Executive Director
NSW Industrial Relations

16/6/14