



COPY

**The Hon Julie Collins MP
Minister for Community Services
Minister for Indigenous Employment and Economic Development
Minister for the Status of Women**

Parliament House,
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The Hon Andrew Barr MLA
Deputy Chief Minister
Treasurer
Minister for Community Services
Minister for Economic Development
Minister for Sport and Recreation
Minister for Tourism and Events
GPO Box 1020
CANBERRA ACT 2601

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Dear Minister

I am writing to you on behalf of the Australian Government to make the Australian Capital Territory (ACT) Government a final offer for the Commonwealth share of the wage increases in the Social and Community Services (SACS) sector which commenced on 1 December 2012. This follows the decision by Fair Work Australia (FWA) to grant SACS workers pay rises in nine instalments totalling between 23 and 45 per cent.

It is a great outcome that our officials have been able to reach a mutually agreed position following discussions relating to supplementation and the appropriate quantum of Commonwealth funding across the in-scope programs. As a result of these discussions, the Australian Government is satisfied that the ACT Government's intention to provide supplementation to Eligible Service Providers already making over-award payments only when they are impacted by the Pay Equity Order is fair, transparent and consistent with the principles of procedural fairness.

Funding Offer

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The Government considers that this funding offer represents its fair share of supplementation for the SACS sector.

Conditions

The Government considers that supplementation must be delivered through a clear and fair process that is consistent with the principles of procedural fairness.

47C

Eligibility and Allocation Conditions

The Government considers that the ACT's existing processes are consistent with the eligibility and allocation requirements outlined in the proposed National Partnership Agreement. The Government looks forward to seeing an Implementation Plan outlining how the ACT will provide Government supplementation to Eligible Service Providers under the terms of the agreement.

I note the National Partnership now specifically identifies that where jurisdictions are able to clearly identify when Eligible Service Providers making over-award payments are impacted by the Pay Equity Order, that is where provider specific data is available 47B

47B supplementation can be provided from when that impact occurs. 47C

47C

Reporting Requirements

Given the numerous stakeholders involved in the supplementation process, the Government requires that supplementation be publicly transparent. The sector, employees and the broader public expect assurance that the Government and jurisdictions have provided their fair share of supplementation and that it has reached its intended recipients.

45 47B

The Australian Government understands that as part of its reporting for grants-based funding arrangements the ACT Government Community Services Directorate already produces reports listing the funds granted to non-government organisations disaggregated by program and service provider. The Government does not consider it would be particularly onerous or administratively burdensome to produce a similar report for supplementation.

Agreement Mechanism

The proposed National Partnership Agreement, as revised following consultations with the states and territories, is provided at Attachment B.

I understand that there may need to be some minor amendments to the proposed National Partnership Agreement prior to its finalisation. In addition, I would like to draw your attention to the agreement between the National Disability Insurance Scheme (NDIS) Taskforce and state officials that a proportion of SACS supplementation for NDIS related agreements will be retained by the Government. The text of the clause to be included in the SACS National Partnership Agreement to enable this is still being finalised, including in consultation with ACT officials.

I urge you to consider the above information and confirm your acceptance of the Government's offer as soon as possible. Following that, the Prime Minister, the Hon Julia Gillard MP will write to the Chief Minister, Minister for Health, Minister for Regional Development and Minister for Higher Education, the Hon Katy Gallagher MLA, seeking her formal written agreement to the National Partnership.

I have copied this letter to the Prime Minister and the Deputy Prime Minister and Treasurer, the Hon Wayne Swan MP; the Minister for Health, the Hon Tanya Plibersek MP and Ms Katy Gallagher.

Yours sincerely



JULIE COLLINS MP

Encl.

