

NATIONAL PARTNERSHIP ON PAY EQUITY FOR THE SOCIAL AND COMMUNITY SERVICES SECTOR – 2016 TO 2019

An agreement between

n the Commonwealth of Australia and
n the States and Territories, being:

t New South Wales
t Victoria
t Queensland
t Western Australia
t South Australia
t Tasmania
t the Australian Capital Territory
t the Northern Territory

This Agreement will contribute to assisting the Social and Community Services sector with additional wage costs arising from the Pay Equity Orders.

National Partnership on Pay Equity for the Social and Community Services Sector

OVERVIEW

1. This National Partnership (the Agreement) is created subject to the provisions of the Intergovernmental Agreement on Federal Financial Relations (IGA FFR) and should be read in conjunction with that Agreement and its Schedules, which provide information in relation to performance reporting and payment arrangements under the IGA FFR.

Purpose

2. The Commonwealth has committed to funding its share of the wage increases arising from the then Fair Work Australia's decision on 1 February 2012 to grant an Equal Remuneration Order in the Social and Community Services (SACS) sector. The Commonwealth's commitment includes providing funding for its share of the wage increases for in-scope programs funded through existing National Specific Purpose Payments (SPPs) and National Partnership agreements.
3. This Agreement effectively extends the National Partnership on Pay Equity for the Social and Community Services (SACS) Sector which commenced on 18 July 2013 and expired on 30 June 2016.
4. In entering this Agreement, the Commonwealth and the States and Territories (the States) recognise that they have a mutual interest in improving outcomes in SACS sector wages and need to work together to achieve those outcomes.
5. This Agreement will contribute to assisting the SACS sector with increased wage costs arising from the Pay Equity Orders.

Reporting Arrangements

6. The States will report yearly against the agreed milestones during the operation of the Agreement, as set out in Part 4 – Performance Monitoring and Reporting.

Financial Arrangements

7. The Commonwealth will provide an estimated total financial contribution to the States of \$512.1m (GST exclusive) in respect of this Agreement, as set out in Part 5 – Financial Arrangements.

PART 1 – FORMALITIES

Parties to this Agreement

8. This Agreement is between the Commonwealth of Australia (the Commonwealth) and the states and territories (the states).

Term of the Agreement

9. This Agreement will commence as soon as the Commonwealth and one other Party sign it and will expire on 30 June 2019, or on completion of the service, including final performance reporting and processing of final payments against performance benchmarks or project milestones. The Agreement may be terminated earlier or extended as agreed in writing by the Parties.

PART 2 – OBJECTIVES, OUTCOMES AND OUTPUTS

Objectives

10. The Parties commit to providing Eligible Service Providers with wage supplementation to assist them in meeting the increased wage costs arising from the Pay Equity Orders.

Outcomes

11. This Agreement will facilitate achievement of the following outcomes:
 - (a) assisting Eligible Service Providers' ability to meet increased wages under the Pay Equity Orders; and
 - (b) reducing the impact of the Pay Equity Orders on Eligible Service Providers.

Outputs

12. The objective and outcomes of this Agreement will be achieved by providing wage supplementation to Eligible Service Providers impacted by the Pay Equity Orders.

PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

13. To realise the objectives and commitments in this Agreement, each Party has specific roles and responsibilities, as outlined below.

Role of the Commonwealth

14. The Commonwealth agrees to be accountable for:
 - (a) providing a financial contribution to the states to support the implementation of this Agreement;
 - (b) monitoring and assessing performance under this Agreement to ensure that outputs are delivered and outcomes are achieved within the agreed timeframe; and
 - (c) approving Implementation Plans developed by the States.

Role of the states and territories

15. The states agree to be accountable for the following roles and responsibilities:
 - (a) developing Implementation Plans in consultation with the Commonwealth;
 - (b) delivering on outcomes and outputs assigned to the states for implementation;
 - (c) ensuring that supplementation is distributed only to Eligible Service Providers through a clear and fair process that is consistent with the principles of procedural fairness as set out in Schedule B; and
 - (d) reporting on the delivery of outcomes and outputs as set out in Part 4 – Performance Monitoring and Reporting.

GRANTS-BASED FUNDING ARRANGEMENTS

16. Under grants-based funding arrangements, Eligible Service Provider means an organisation that meets all of the following criteria:
 - (a) receives Commonwealth funding from a state for a National Specific Purpose Payment (SPP) or National Partnership Agreement identified in this Agreement;
 - (b) has an existing grant or funding agreement with a state that is funded under a National SPP or National Partnership Agreement identified in this Agreement;¹
 - (c) is a non-government organisation;
 - (d) had employees affected by the Pay Equity Order on 1 February 2012;² and
 - (e) currently has employees affected by the Pay Equity Order.

UNIT-PRICE-BASED FUNDING ARRANGEMENTS

17. Under unit price-based funding arrangements, Eligible Service Provider means an organisation that meets all of the following criteria:
 - (a) receives Commonwealth funding from a state for a National SPP or National Partnership Agreement identified in this Agreement; and

¹ All non-government organisations funded to deliver existing Commonwealth funded SACS programs in-scope of the equal remuneration order will be eligible for supplementation, including providers making payments over the award. Where jurisdictions are able to clearly identify when Eligible Service Providers making over-award payments are impacted by the Pay Equity Order, for example by having provider specific data, supplementation can be provided from when that impact occurs. Service providers making over-award payments will only be entitled to Commonwealth supplementation for the difference between the current SACS Modern Award and the Pay Equity Orders rate. Jurisdictions should ensure that no additional supplementation is given to service providers for any amount above the equal remuneration order rate that an employer might already be paying or proposing to pay.

² Fair Work Australia handed down an Equal Remuneration Decision on 1 February 2012. The Commonwealth's supplementation commitment applies to those Eligible Service Providers affected by the decision on that date. There is some discretion concerning the date where it can be demonstrated that there are legitimate and compelling reasons why employees were not classified on the Award by that date. These exceptions need to be considered on a case-by-case basis by states.

- (b) is a non-government organisation.

Implementation Plans

18. The Parties will agree updated Implementation Plans that set out each jurisdiction's strategy for calculating and allocating supplementation to Eligible Service Providers. More detail on the requirements for Implementation Plans are set out in Schedule B.
19. The Parties are committed to agreeing upon the Implementation Plans by 30 September 2017.

PART 4 – PERFORMANCE MONITORING AND REPORTING

Reporting arrangements

20. The states will report the minimum required to demonstrate that milestones have been met, that is, yearly against the agreed milestones during the operation of the Agreement. The states will provide progress reports in accordance with Table 1 during the operation of the Agreement.
21. Each progress report is to contain the following information
- (a) total amount of Commonwealth supplementation provided to the state by program;
 - (b) the name of each Eligible Service Provider that received supplementation; and
 - (c) the Commonwealth program under which each Eligible Service Provider received supplementation.

Table 1: Reporting and payment summary

Milestones	Report Period	Relevant Report due	Payment
Acceptance by the Commonwealth of Progress Report 4	July 2015 to June 2016	30 September 2017	100 per cent of total payment for 2016-17
Acceptance by the Commonwealth of Progress Report 5	July 2016 to June 2017	30 September 2017	100 per cent of total payment for 2017-18
Acceptance by the Commonwealth of Progress Report 6	July 2017 to June 2018	30 September 2018	100 per cent of total payment for 2018-19
Acceptance by the Commonwealth of Progress Report 7	July 2018 to June 2019	15 July 2019	N/A

PART 5 – FINANCIAL ARRANGEMENTS

Financial contributions

22. The Commonwealth will provide an estimated total financial contribution to the states of \$512.1m (GST exclusive) in respect of this Agreement, less the proportion of funding agreed to

be retained by or repaid to the Commonwealth under clauses 26 to 30 inclusive. All payments are exclusive of GST.

23. The Commonwealth's funding contribution will not be reduced where the states secure funding from other activity partners.
24. The Commonwealth's estimated financial contribution to the operation of this Agreement, including through National Partnership payments to the states paid in accordance with Schedule D — Payment Arrangements of the Intergovernmental Agreement on Federal Financial Relations, are shown at Schedule A – Financial Contributions.
25. Where a report demonstrates that a milestone is met in advance of the due date, the Commonwealth may make the associated payment earlier than scheduled provided it falls within the same financial year as the original milestone date.

The National Disability Insurance Scheme

26. A proportion of Commonwealth funding under this Agreement relates to the National Disability Insurance Scheme (NDIS) for the purpose of providing participants specialist disability services. Funding will be paid to the states and related funding will be repaid to the Commonwealth during the life of this agreement, with administrative and financial arrangements determined through individual Bilateral Agreements for the Transition to the NDIS.
27. States will repay funding to:
 - (a) the National Disability Insurance Agency (NDIA), on behalf of the Commonwealth, for clients of state specialist disability services who transition to the NDIS, where the NDIS is being implemented by the NDIA;
 - (b) the Commonwealth Department of Health, for people aged 65 and over (Aboriginal and Torres Strait Islanders aged 50 and over) in state specialist disability services who transition to Continuity of Support arrangements.
28. In addition, Western Australia will on-pay funding to the Western Australian NDIS Authority, on behalf of the Commonwealth, for clients of Western Australian specialist disability services who transition to the NDIS, where the NDIS is being implemented by the Western Australian NDIS Authority³.
29. In-scope Commonwealth Agreements include:
 - (a) the National Disability SPP;
 - (b) Individual Bilateral Agreements for the Transition to the NDIS (except Victoria, Western Australia and the Australian Capital Territory), which replaces the National Partnership Agreement on Transitioning Responsibilities for Aged Care and Disability Services; and
 - (c) the Home and Community Care Program Review Agreement (Western Australia only); and
 - (d) the National Partnership Agreement on the Extension and Expansion of the Trial of WA NDIS sites and the Bilateral Agreement for the Extension and Expansion of the NDIS NDIA Trial between the Commonwealth and Western Australia (Western Australia only).

³ For 2017-18, the Western Australian NDIS Authority is to be read as the Western Australian Disability Services Commission. From 1 July 2018, the authority is subject to the passage of legislation.

30. Upon commencement of this agreement, the estimated amount to be repaid (or on-paid) is shown at Schedule A – Financial Contributions. Any variations to the amount per client to be repaid will be agreed through amendments to individual NDIS bilateral agreements.

PART 6 – GOVERNANCE ARRANGEMENTS

Enforceability of the Agreement

31. The Parties do not intend any of the provisions of this Agreement to be legally enforceable. However, this does not lessen the Parties' commitment to this Agreement.

Variation of the Agreement

32. The Agreement may be amended at any time by agreement in writing by all the Parties.
33. A Party to the Agreement may terminate their participation in the Agreement at any time by notifying all the other Parties in writing.

Delegations

34. The relevant Commonwealth Minister with portfolio responsibility for Community Services is authorised to agree and amend Schedules, including Implementation Plans, to this Agreement and to certify that performance benchmarks specified under this Agreement have been achieved, so that payments may be made.
35. Respective state Ministers with portfolio responsibility for Social and Community services are authorised to agree and amend Schedules, including Implementation Plans, to this Agreement.
36. The Commonwealth Minister may delegate the assessment of project-based performance benchmarks or milestones and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

Dispute resolution

37. Any Party may give notice to other Parties of a dispute under this Agreement.
38. Officials of relevant Parties will attempt to resolve any dispute in the first instance.
39. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers.

Interpretation

40. For the purposes of this Agreement:
 - (a) **Pay Equity Order** has the meaning given in the Social and Community Services Pay Equity Special Account Act 2012.
 - (b) **Unit-price-based funding arrangements** refer to funding arrangements where an organisation is paid a set price for delivering specific units of service as specified in individual service agreement or contract. All organisations delivering a specific unit receive a common price for delivering a specific unit. The amount of funding an organisation receives each year will depend on the number of units they complete.
 - (c) **Grants-based funding arrangements** refer to all other funding arrangements not defined as unit-price-based funding arrangements.

The Parties have confirmed their commitment to this agreement as follows:

*Signed for and on behalf of the Commonwealth
of Australia by*



The Honourable Malcom Turnbull MP
Prime Minister of the Commonwealth of Australia

[Day] [Month] [Year]

*Signed for and on behalf of the
State of New South Wales by*



The Honourable Gladys Berejiklian MP
Premier of the State of New South Wales

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State of Victoria by*

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Premier of the State of Victoria

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*Signed for and on behalf of the
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Capital Territory by*

Andrew Barr MLA
Chief Minister of the Australian Capital Territory

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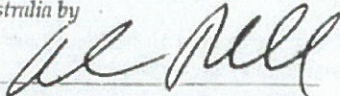
The Honourable Michael Gunner MLA
Chief Minister of the Northern Territory of Australia

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National Partnership Agreement on Pay Equity for the Social and Community Services Sector

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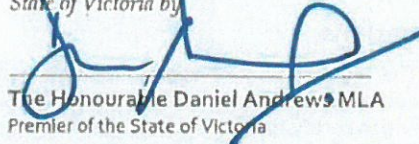
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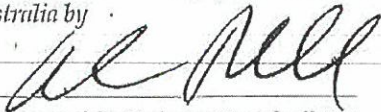
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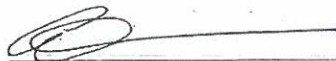
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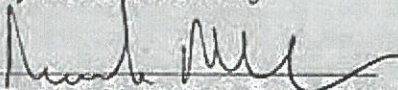
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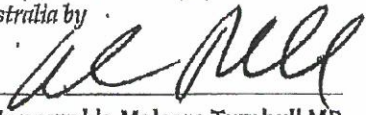
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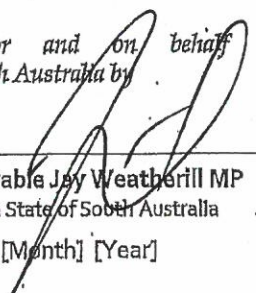
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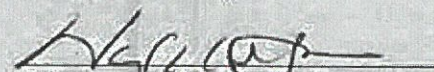
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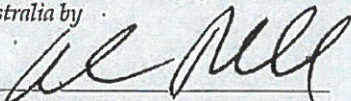
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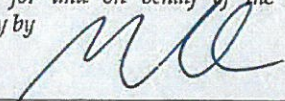
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Schedule A – Financial Contributions

NATIONAL PARTNERSHIP ON PAY EQUITY FOR THE SOCIAL AND COMMUNITY SERVICES SECTOR

Table A.1: Estimated financial contributions to New South Wales by the Commonwealth due to National SPP and National Partnership Agreement

(\$'000)	2016-17	2017-18	2018-19
National Affordable Housing Specific Purpose Payment	3,172.90	3,927.08	4,704.61
National Disability Specific Purpose Payment	19,825.68	25,337.80	0
Bilateral Agreement between the Commonwealth and New South Wales for the transition to an NDIS – Schedule C: Cross-billing and Budget Neutrality Arrangements in New South Wales	2,113.03	2,617.85	0
National Partnership Agreement for Transitioning Responsibilities for Aged Care and Disability Services for the period for 2014-15 and 2015-16	2,775.84	0	0
Total Commonwealth Contribution to NSW	27,887.46	31,882.73	4,704.61

Note: Figures in this table may be subject to rounding.

From 2018-19 payments relating to the NDIS will be retained by the Commonwealth.

Table A.2: Estimated repayment by New South Wales to the Commonwealth due to the National Disability Insurance Scheme

(\$'000)	2016-17	2017-18	2018-19
NDIS participants	8,229	20,622	0
Specialist Disability Services for people aged over 65 (Aboriginal and Torres Strait Islanders over 50) - Continuity of Support	1,039	2,998	0
Total Repayment by NSW	9,268	23,620	0

Note: The actual amount in 2016-17 and 2017-18 to be repaid to the Commonwealth is based on the actual transition of existing state disability clients to the NDIS and to Commonwealth continuity of support arrangements as outlined in the Bilateral Agreements for the Transition to the NDIS in NSW – Schedules B – Financial Contributions for Transition in New South Wales and Schedule D: Continuity of Support Arrangements in New South Wales. The amounts in the Table above are not in addition to those agreed as part of the Bilateral Agreements for the Transition to the NDIS in NSW.

From 2018-19 payments relating to the NDIS will be retained by the Commonwealth, rather than repaid by New South Wales, as the NDIS will have reached full population coverage as outlines in the Bilateral Agreement for the Transition to the NDIS in NSW.

Table A.3: Estimated financial contributions to Victoria by the Commonwealth due to National SPP and National Partnership Agreement

(\$'000)	2016-17	2017-18	2018-19
National Affordable Housing Specific Purpose Payment	9,181.95	11,410.93	13,726.11
National Disability Specific Purpose Payment	28,751.85	36,895.97	45,828.14
Home and Community Care Program Review Agreement National Partnership Agreement - Payment for 2015-16	6,219.75	0	0
Total Commonwealth Contribution to Victoria	44,153.55	48,306.90	59,554.25

Note: Figures in this table may be subject to rounding.

Table A.4: Estimated repayment by Victoria to the Commonwealth due to the National Disability Insurance Scheme

(\$'000)	2016-17	2017-18	2018-19
Total for NDIS participants	3,381	11,733	30,437
Total for Specialist Disability Services for older people (Continuity of Support)	669	2,311	5,905
Total Repayment by Victoria	4,050	14,044	36,342

Note: The actual amount to be repaid to the Commonwealth will be based on the actual transition of existing state disability clients to the NDIS and to Commonwealth continuity of support arrangements as outlined in the Bilateral Agreements for the Transition to the NDIS in Victoria – Schedules B – Financial Contributions for Transition in Victoria and Schedule D: Continuity of Support Arrangements in Victoria.

Table A.5: Estimated financial contributions to Queensland by the Commonwealth due to National SPP and National Partnership Agreement

(\$'000)	2016-17	2017-18	2018-19
National Affordable Housing Specific Purpose Payment	5,416.08	6,154.73	6,922.08
National Disability Specific Purpose Payment	33,808.75	39,671.70	46,071.86
Bilateral Agreement between the Commonwealth and Queensland for the transition to an NDIS – Schedule C: Cross-billing and Budget Neutrality Arrangements in Queensland	1,890.92	2,140.37	2,397.78
National Partnership Agreement for Transitioning Responsibilities for Aged Care and Disability Services for the period for 2014-15 and 2015-16	3,030.14	0	0
Total Commonwealth Contribution to Queensland	44,145.89	47,966.81	55,391.73

Note: Figures in this table may be subject to rounding.

Table A.6: Estimated repayment by Queensland to the Commonwealth due to the National Disability Insurance Scheme

(\$'000)	2016-17	2017-18	2018-19
Total for NDIS participants	1,881	9,066	28,982
Total for Specialist Disability Services for older people (Continuity of Support)	141	865	2,638
Total Repayment by Queensland	2,022	9,931	31,620

Note: The actual amount to be repaid to the Commonwealth is based on the actual transition of existing state disability clients to the NDIS and to Commonwealth continuity of support arrangements as outlined in the Bilateral Agreements for the Transition to the NDIS in Queensland – Schedules B – Financial Contributions for Transition in Queensland and Schedule D: Continuity of Support Arrangements in Queensland.

Table A.7: Estimated financial contributions to Western Australia by the Commonwealth due to National SPP and National Partnership Agreement

(\$'000)	2016-17	2017-18	2018-19
National Affordable Housing Specific Purpose Payment	3,107.44	3,882.36	4,694.99
National Disability Specific Purpose Payment	16,949.92	21,867.19	27,305.95
Home and Community Care Program Review Agreement National Partnership Agreement	4,987.55	6,569.12	0.0
Home and Community Care Program Review Agreement National Partnership Agreement – Payment for 2015-16	3,606.49	0.0	0.0
Total Commonwealth Contribution to WA	28,651.41	32,318.68	32,000.94

Note: Figures in this table may be subject to rounding. Figures for Western Australia reflect both the decisions of Fair Work Australia and the Western Australian Industrial Relations Commission.

Table A.8: Estimated repayment, or on-payment, by Western Australia to the Commonwealth and/or the Western Australian NDIS Authority due to the National Disability Insurance Scheme

(\$'000)	2016-17	2017-18	2018-19
NDIS Participants – National Disability Insurance Agency	1,371.95	0.0	0.0
WA NDIS Participants – Western Australia Disability Services Commission	1,556.34	7,334.36	13,847.89
Total Repayment/On-payment by Western Australia	2,928.29	7,334.36	13,847.89

Note: From 1 July 2017, the actual amount to be on-paid to the WA NDIS Authority, on behalf of the Commonwealth, or repaid to the Commonwealth, is based on the actual transition of existing state disability clients to the NDIS and to Commonwealth continuity of support arrangements as outlined in the Bilateral Agreements for the Transition to the NDIS in Western Australia – Schedule C: Financial Contributions for Transition in Western Australia and Schedule E: Continuity of Support Arrangements in Western Australia.

Table A.9: Estimated financial contributions to South Australia by the Commonwealth due to National SPP and National Partnership Agreement

(\$'000)	2016-17	2017-18	2018-19
National Affordable Housing Specific Purpose Payment	1,848.42	2,284.94	2,733.95
National Disability Specific Purpose Payment	5,707.15	7,284.86	0
Bilateral Agreement between the Commonwealth and South Australia for the transition to an NDIS – Schedule C: Cross-billing and Budget Neutrality Arrangements in South Australia	2,062.82	2717.13	0
National Partnership Agreement for Transitioning Responsibilities for Aged Care and Disability Services for the period 2014-15 and 2015-16	2,485.99	0	0
Total Commonwealth Contribution to South Australia	12,104.38	12,286.93	2,733.95

Note: Figures in this table may be subject to rounding.

From 2018-19 payments relating to the NDIS will be retained by the Commonwealth.

Table A.10: Estimated repayment by South Australia to the Commonwealth due to the National Disability Insurance Scheme

(\$'000)	2016-17	2017-18	2018-19
Total for NDIS participants	551	2,681	0
Total for Specialist Disability Services for older people (Continuity of Support)	0	1,997	0
Total Repayment by South Australia	551	4,678	0

Note: The actual amount in 2016-17 and 2017-18 to be repaid to the Commonwealth is based on the actual transition of existing state disability clients to the NDIS and to Commonwealth continuity of support arrangements as outlined in the Bilateral Agreements for the Transition to the NDIS in South Australia – Schedules B – Financial Contributions for Transition in South Australia and Schedule D: Continuity of Support Arrangements in South Australia. From 2018-19 payments relating to the NDIS will be retained by the Commonwealth, rather than repaid by South Australia, as the NDIS will have reached full population coverage as outlines in the Bilateral Agreement for the Transition to the NDIS in South Australia.

Table A.11: Estimated financial contributions to Tasmania by the Commonwealth due to National SPP and National Partnership Agreement

(\$'000)	2016-17	2017-18	2018-19
National Affordable Housing Specific Purpose Payment	793.74	977.88	1,166.10
National Disability Specific Purpose Payment	2,644.25	3,363.88	4,142.09
Bilateral Agreement between the Commonwealth and Tasmania for the transition to an NDIS – Schedule C: Cross-billing and Budget Neutrality Arrangements in Tasmania	715.36	886.25	1,062.74
National Partnership Agreement for Transitioning Responsibilities for Aged Care and Disability Services for the period 2014-15 and 2015-16	939.78	0	0
Total Commonwealth Contribution to Tasmania	5,093.13	5,228.01	6,370.92

Note: Figures in this table may be subject to rounding.

Table A.12: Estimated repayment by Tasmania to the Commonwealth due to the National Disability Insurance Scheme

(\$'000)	2016-17	2017-18	2018-19
Total for NDIS participants	557	1,452	3,157
Total for Specialist Disability Services for older people (Continuity of Support)	51	447	1,101
Total Repayment by Tasmania	608	1,899	4,258

Note: The actual amount to be repaid to the Commonwealth is based on the actual transition of existing state disability clients to the NDIS and to Commonwealth continuity of support arrangements as outlined in the Bilateral Agreements for the Transition to the NDIS in Tasmania – Schedules B – Financial Contributions for Transition in Tasmanian and Schedule D: Continuity of Support Arrangements in Tasmania.

Table A.13: Estimated financial contributions to the Australian Capital Territory by the Commonwealth due to National SPP and National Partnership Agreement

(\$'000)	2016-17	2017-18	2018-19
National Affordable Housing Specific Purpose Payment	726	923	1,137
National Disability Specific Purpose Payment	1,767	0	0
Total Commonwealth Contribution to the ACT	2,493	923	1,137

Note: Figures in this table may be subject to rounding.

From 2017-18 payments relating to the NDIS will be retained by the Commonwealth.

Table A.14: Estimated repayment by the Australian Capital Territory to the Commonwealth due to the National Disability Insurance Scheme

(\$'000)	2016-17	2017-18	2018-19
Total for NDIS participants	1,714	0	0
Total for Specialist Disability Services for older people (Continuity of Support)	18	0	0
Total Repayment by the ACT	1,732	0	0

Note: The amount repaid by the ACT in 2016-17 is based on the estimated transition of existing ACT disability clients to the NDIS and Commonwealth continuity of support arrangements as outlined in a the Bilateral Agreement for the Transition to the NDIS in the Australian Capital Territory – Schedule A – Financial Contributions for Transition in the Australian Capital Territory. From 2017-18 payments relating to the NDIS will be retained by the Commonwealth, rather than repaid by the ACT, as the NDIS will have reached full population coverage as outlined in the Bilateral Agreement for the Transition to the NDIS in the Australian Capital Territory.

Table A.15: Estimated financial contributions to the Northern Territory by the Commonwealth due to National SPP and National Partnership Agreement

(\$'000)	2016-17	2017-18	2018-19
National Affordable Housing Specific Purpose Payment	400.34	495.70	594.09
National Disability Specific Purpose Payment	854.60	1,092.61	1,352.10
Bilateral Agreement between the Commonwealth and the Northern Territory for the transition to an NDIS – Schedule C: Cross-billing and Budget Neutrality Arrangements in the Northern Territory	389.11	482.11	578.17
National Partnership Agreement for Transitioning Responsibilities for Aged Care and Disability Services for the period 2014-15 and 2015-16.	511.11	0	0
Total Commonwealth Contribution to the Northern Territory	2,155.16	2,070.42	2,524.36

Note: Figures in this table may be subject to rounding.

Table A.16: Estimated repayment by the Northern Territory to the Commonwealth due to the National Disability Insurance Scheme

(\$'000)	2016-17	2017-18	2018-19
NDIS participants	111	500	1,264
Specialist Disability Services for people aged over 65 (Aboriginal and Torres Strait Islanders over 50) - Continuity of Support	9	55	107
Total Repayment by the Northern Territory	120	555	1,371

Note: The actual amount to be repaid to the Commonwealth is based on the actual transition of existing state disability clients to the NDIS and to Commonwealth continuity of support arrangements as outlined in the Bilateral Agreements for the Transition to the NDIS in the Northern Territory – Schedules B – Financial Contributions for Transition in the Northern Territory and Schedule D: Continuity of Support Arrangements in the Northern Territory.

Schedule B – Implementation Plans for the Calculation and Allocation of Supplementation

National Partnership Agreement on PAY EQUITY FOR THE SOCIAL AND COMMUNITY SERVICES SECTOR

- B1. In accordance with clause 17, states will develop updated Implementation Plans setting out the jurisdiction's strategy for calculating and allocating supplementation to Eligible Service Providers. These Implementation Plans will be agreed by December 2016.
- B2. Each jurisdiction's Implementation Plan must set out a clear and fair process that is consistent with this Agreement and the principles of procedural fairness.

GRANTS-BASED FUNDING ARRANGEMENTS

- B3. For grants-based funding arrangements, at a minimum, Implementation Plans must include the following information:
 - (a) how the eligibility of organisations will be determined;
 - (b) the method to be used for calculating the supplementation for Eligible Service Providers;
 - (c) how the jurisdiction will obtain sufficient certification from Eligible Service Providers that funds have only been used for the purposes of wage costs associated with the Pay Equity Orders;
 - (d) the process that will be available for Eligible Service Providers who consider their funding offer places them in hardship; and
 - (e) the jurisdiction's strategy for engaging with the sector to communicate offers.

UNIT-PRICE-BASED FUNDING ARRANGEMENTS

- B4. For unit-price-based funding arrangements, at a minimum, Implementation Plans must include the following information:
 - (a) the method to be used for calculating the supplementation for Eligible Service Providers; and
 - (b) the jurisdiction's strategy for engaging with the sector to communicate offers.

Example Methodology for the Calculation of Supplementation

- B5. The Commonwealth has provided the following example of a methodology for the calculation of supplementation. States may either use this methodology or develop another that the Commonwealth is satisfied meets the requirements of clause B2.
- B6. States may calculate Commonwealth supplementation provided to Eligible Service Providers using the following variables:
- (a) the value of National Specific Purpose Payment or National Partnership Agreement funding provided to Eligible Service Providers through the states; *multiplied by*
 - (b) an estimated proportion of total National Specific Purpose Payment or National Partnership Agreement funding used by Eligible Service Providers for wages of employees affected by the Pay Equity Order; *multiplied by*
 - (c) an estimated difference in wage rates between the previously effective state awards and the Award.
- B7. The value of National Specific Purpose Payment or National Partnership Agreement funding provided to Eligible Service Providers is known by the relevant state departments through which Commonwealth funding is provided.
- B8. The estimated proportion of total National Partnership Agreement funding used by Eligible Service Providers for wages of employees affected by the Pay Equity Order is to be determined by the relevant state given the specific circumstances in their jurisdictions.
- B9. The estimated difference in wage rates between the previously effective state awards and the current Award are known by the relevant state departments for Workplace Relations.

Example of process for certification by Eligible Service Providers for grants-based funding arrangements

- B10. States will be required to obtain certification from Eligible Service Providers that any supplementation provided is only to be used to meet the wage increases imposed under the Pay Equity Orders. States may determine the appropriate method for obtaining certifications.
- B11. As an example, the state may require certification at the same time the organisation accepts their funding adjustment offer. In this case, Eligible Service Providers should certify that they meet the following conditions:
- (a) employed eligible SACS workers (i.e. those covered by the SACS Modern Award and impacted by the SACS Pay Equity Orders) on 1 February 2012; and
 - (b) currently employ eligible SACS workers; and
 - (c) agree to use the state's SACS funding adjustment to meet the wage increases imposed under the Pay Equity Orders; and
 - (d) agree to the total funding adjustment amount detailed in the Offer.
- B12. There are some additional conditions for Eligible Service Providers in Western Australia.
- (a) Western Australian providers should certify that they are a constitutional corporation and therefore in-scope of the Pay Equity Orders.

Example of recourse process for grants-based funding arrangements

Funding adjustment offer too low

B13. States will need to allow an Eligible Service Provider to lodge a request for review if they consider the funding adjustment offer is not adequate and places their organisation into hardship; that is, there would be a substantial reduction or closure of services as a result of the underfunding. When this occurs the following steps are recommended:

(a) The state should discuss with the Eligible Service Provider their concerns. If the provider has misunderstood the process or the funding adjustment, and this is explained, there may not be a problem.

(b) The Eligible Service Provider will be required to demonstrate the extent of under-supplementation by providing relevant documentation broken down by funding stream/program (including all funding sources) to the state. Documentation provided by the Eligible Service Provider to the state agency should include:

- i. the number of full time equivalent (FTE) employees by classification level;
- ii. evidence and/or assurance that these employees were covered by the SACS Modern Award or the pre-Modern Award SACS Industrial instruments as at 1 February 2012 and impacted the Pay Equity Orders (this could require duty statements so award coverage can be checked);
- iii. the actual rates paid to these employees (that is, payroll documentation);
- iv. the distribution of these FTEs to all programs; and
- v. that there is no expected change/reduction in staffing numbers and levels in the current financial year.

(c) Following receipt of this information, the state will assess the Eligible Service Provider's claim for additional supplementation, and make a determination if further supplementation is required.

(d) The state will communicate the outcome to the Eligible Service Provider and proceed (or otherwise) with funding adjusted supplementation payments.

(e) This process is to be completed within a reasonable time – that is, within 30 days of receiving the relevant information from the provider seeking a review.

Funding adjustment offer too high

B14. If an Eligible Service Provider considers their funding adjustment offer is too high, they should advise the relevant state agency of the lower funding adjustment amount they consider is more appropriate.

B15. The state will issue a revised offer, subject to obtaining any required clarification, for the lower amount for the Eligible Service Provider's acceptance.