

Northern Territory Implementation Plan

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

PART 1: PRELIMINARIES

1. This Implementation Plan has been developed to facilitate the implementation of the National Partnership Agreement on Pay Equity for the Social and Community Services Sector (NPA) and should be read in conjunction with that Agreement. The objective in the NPA is to provide eligible service providers with wage supplementation to assist them in meeting the increased wage costs arising from Pay Equity Orders.
2. This Implementation Plans sets out the Northern Territory's strategy for calculating and allocating supplementation to Eligible Service Providers as required under clause 20 of the NPA.
3. The affected agreements are: the National Affordable Housing SPP, the National Disability Services SPP and the National Partnership Agreements for Homelessness, National Perinatal Depression Initiative, Transitioning Responsibilities for Aged Care and Disability Services and National Mental Health Reform.
4. This Implementation Plan will be implemented consistently with the objectives and outcomes of all National Agreements and National Partnerships agreed by the Parties. In particular, the Parties are committed to addressing the issue of social inclusion, including responding to Indigenous disadvantage (for example, the reform commitments provided in the National Indigenous Reform Agreement) and those commitments are embodied in the objectives and outcomes of this Agreement.

PART 2: TERM OF THE IMPLEMENTATION PLAN

5. This Implementation Plan will commence as soon as it is agreed between the Commonwealth of Australia, represented by the Minister for Social Services, and the Northern Territory, represented by the Chief Minister
6. This Implementation Plan will cease on completion or termination of the National Partnership, including the acceptance of final performance reporting and processing of final payments against performance benchmarks or milestones.
7. This Implementation Plan may be varied by written agreement between the Commonwealth and Territory Minister responsible for it under the overarching National Partnership.

8. The Parties to this Implementation Plan do not intend any of the provisions to be legally enforceable. However, that does not lessen the Parties' commitment to the plan and its full implementation.

PART 3: STRATEGY FOR NORTHERN TERRITORY IMPLEMENTATION

9. In accordance with clause 20 and as set out in Schedule B of the NPA, the Northern Territory has developed this Implementation Plan setting out the NT's strategy for calculating and allocating supplementation to Eligible Service Providers, as follows:
- (a) in accordance with clause 15 of the NPA, the Northern Territory will engage with organisations to determine their eligibility in writing and through meetings as necessary;
 - (b) the method used for calculating the supplementation for Eligible Service Providers is a staged implementation increase as set out in Appendix 1;
 - (c) the Northern Territory will obtain written certification from Eligible Service Providers that funds have only been used for the purposes of wage costs associated with the Pay Equity Orders as per clause B10 of the NPA;
 - (d) Eligible Service Providers who consider their funding 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, will be required to contact the relevant agency and provide details of their hardship; that is evidence of actual staff numbers requiring supplementation (refer to clause B13 in the Schedule), and supporting documentation that is certified by an accountant within 30 days of receipt of funding;
 - (e) the relevant agency will be required to respond to the organisation within 30 days of receipt of the details and supporting documentation; and
 - (f) the Northern Territory will communicate with the sector on an organisation by organisation basis to communicate offers following each payment from the Commonwealth to the Territory as per the NPA.

Grants-based funding arrangements

10. The Northern Territory only has grants based funding arrangements with providers.
11. 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 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

¹ All non-government organisations that are 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

- (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.

Estimated costs

12. The maximum financial contribution to be provided by the Commonwealth for the project to the Northern Territory is set out in Table A.8 under Schedule A of the NPA. All payments are exclusive of GST.

SACS supplementation relating to National Disability Insurance Scheme trial

- (a) A proportion of Commonwealth funding from payments due under the National Partnership Agreement will be retained by the Commonwealth to meet part of the Commonwealth contribution to the cost of the National Disability Insurance Scheme (NDIS) trial sites. This is because of requirements under the Commonwealth's *Social and Community Services Pay Equity Special Account Act 2012*.
- (b) The amount of payments from the National Disability SPP and the Transitioning Responsibilities for Aged Care and Disability Services NP that will be contributed to the National Disability Insurance Scheme is based on the methodology outlined in Clauses 14 to 19 of Schedule A of the Intergovernmental Agreement for the National Disability Insurance Scheme Launch.
- (c) SACS supplementation has been adjusted for the estimated NDIS component of grants. The amount to be retained is proportionate to the expected number of NDIS participant numbers in NT's trial site(s) and to the total expected participants in NT. Table 1 sets out the amounts to be retained by the Commonwealth.
- (d) The amount of payments made under the National Disability SPP and the Transitioning Responsibilities for Aged Care and Disability Services NP that will be counted towards the Commonwealth's contribution will be reviewed and amended consistent with any changes to client phasing or financial contributions within the trial site. The amount of SACS payments to be contributed directly to the National Disability Insurance Scheme by the Commonwealth will be agreed by NT and the Commonwealth at least 30 days before each payment is due.

Award and the Pay Equity Orders rate. Jurisdictions should ensure that no additional supplementation is given to service providers for any amount above the ERO 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.

Table 1. SACS payment to be retained by the Commonwealth to meet part of the contribution to the cost of the National Disability Insurance Scheme

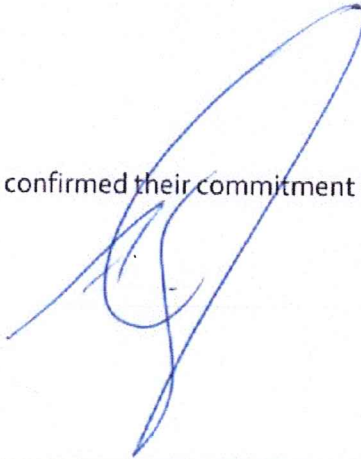
(\$'000)	2014-15	2015-16
<i>Specific Purpose Payments</i>		
National Disability Services	6	11

This table presents the amount to be retained under clauses 26 to 28 of the NPA.

Sign Off

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

Signature
Chief Minister



Date

29/7/15

Signature
Minister for Social Services

Date

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

Appendix 1

Supplementation Methodology

To calculate the approximate value of supplementation provided, the following formula is to be used:

ESP Supplementation = (Total of ESP wages component for each grant paid at the SACS Modern award rate) **multiplied by** (Staged implementation of the Pay Equity Order percentage*).

See Clause 16 of the NPA on Pay Equity for the Social and Community Services Sector for details on ESP eligibility to receive the supplementation payments.

* Staged Implementation Pay Equity Order rates:

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Implementation Period	1	2	3	4	5	6	7	8	9
Staged Implementation increase	1.56%	4.24%	6.92%	9.60%	12.27%	14.95%	17.63%	20.31%	22.98%