

What's in your Savings Implementation Plan (SIP)?

Over the coming years (Crown Salaries/Conditions) members will experience changes to their conditions arising from the 4% pay deal. As delegates it is important that we can answer questions from members about these changes.

The pay agreement MOU

The Memorandum of Understanding (MOU) between the PSA and the Government allows the employer to recoup the unfunded 1.5% of the 4% through a "change of conditions". The MOU lists items the employer is permitted to change. These include restrictions on leave entitlements, cuts to allowances and many other changes. These sector-wide initiatives will, on average, make up only a minority of the 1.5% savings. For many agencies, the bulk of the savings will have to come from "agency level initiatives" as described in clause 6 of the MOU.

What are SIPs?

The pay deal affects each agency differently so each (budget) agency has adopted a *Savings Implementation Plan* (SIP) detailing how their annual 1.5% savings will be made. Each agency must provide this information to the PSA.

What's in yours?

It is understood there are agencies that have been unable to generate the savings without resorting to job cuts, (deletion of positions). The PSA is allowed to go to the Industrial Relations Commission to require the employer to reveal the assumptions underlying SIP items to ensure that they don't exceed the 1.5% figure. Job cuts are not prohibited by the MOU. The PSA recently lodged a dispute which was the subject of conciliation late last week.

Delegates need to be familiar with their SIP. It is recommended that you:

- 1) Read the MOU and become familiar with its contents
- 2) Ask for a copy of your agency's SIP from your employer at the next Joint Consultative Committee or get a copy from your PSA industrial officer
- 3) Discuss your SIP at the next meeting of your Workplace Group, Departmental Committee, Vocational Branch, etc.

Salaries - How are we faring?

PSA Crown Employees 4% per year
Average Weekly Ordinary Times Earnings (AWOTE) Year to March 2009
Private Sector 5.7%
Public Sector 5.5%