

2018

**LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

**Report on the use of Attraction and Retention Incentives (ARIs) Government
Response to Recommendation 11 of the Standing Committee on Public Accounts
Committee Report No 2- Report on Annual and Financial Reports 2016-2017**

**Presented by
Andrew Barr MLA
Chief Minister
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The Attraction and Retention Incentives ('ARIn') Framework

The ACTPS Enterprise Agreements have included a statutory provision to facilitate over-award payments and/or limited conditions of service arrangements since 2004. Traditionally they were known as Special Employment Arrangements, but the name was changed in the last agreement round to Attraction and Retention Incentives to more reflect the scope of their use.

From time to time there is a requirement to meet individual circumstances where for various reasons, the pay and conditions offered to an employee (or prospective employee) are not competitive. This can occur for many reasons but is often because of high market demand for the skills and experience possessed by the individual or the pay cycle of the ACTPS agreements is out of sync with the market being compared to.

These provisions are used in circumstances where individual arrangements are required to attract or retain staff. Unlike the previous Commonwealth instrument, Australian Workplace Agreements ('AWA'), ARIns do not supplant the agreement or award, cannot on balance reduce an employee's overall benefit, are not secret (but are subject to normal privacy provisions), may be negotiated by an individual with the assistance of a union or other representative and may be structured on an individual or group basis (where the terms are the same).

The Service has strict eligibility rules related to the granting of ARIns. Enterprise Agreements prescribe limited circumstances where an ARIn may be used. These are:

1. the position is critical to the operation of the Directorate or to a business unit in the Directorate;
2. an employee who occupies the position requires specialist qualifications or specialist or high level skills;
3. the skills required by the employee who occupies the position are in high demand in the marketplace; or
4. the position would incur significant costs to replace.

An ARIn may only contain a limited range of provisions:

1. enhanced pay rates;
2. provision for privately plated vehicles where the Director-General and Head of Service considers there is a clear, unambiguous and exceptional need; or
3. other terms and conditions of employment where the Director-General and Head of Service considers there is a clear, unambiguous and exceptional need.

The rates of pay component of an ARIn counts as pay for all purposes including superannuation and for the purposes of calculating the rate of pay for annual leave, long service leave, paid personal leave, paid maternity leave, redundancy payments and other paid leave granted under this Agreement. Where the ARIn is proposed to exceed 50% of the base pay, specific Head of Service approval is required prior to approval.

While ARIns provide the flexibility to offer non-cash benefits, the take-up is minimal.

Each ARIn must be reviewed at least once annually. They are not 'set and forget' – they are rigorously assessed against the eligibility criteria and terms of the relevant enterprise agreement to validate whether their continued use is warranted.

When an ARIn ceases, the employee or group of employees reverts to the relevant Enterprise Agreement terms and conditions.

In the preparation for each enterprise agreement bargaining round the use of ARIns, especially those relating to groups of employees, are considered and decisions taken as to whether it is more

appropriate, for existing ARIn provisions to be moved into the relevant enterprise agreement as a more permanent arrangement.

Lastly, there are translation provisions in place for the very small number of remaining AWA's still operational within the Service.

ARIn Usage

The following tables provide a snapshot of ARIn usage across the Service effective 31 March 2018.

Table 1: Value of ARIn - 31 March 2018¹

Directorate	Grand Total
Canberra Institute of Technology	\$58,754.14
Chief Minister, Treasury and Economic Development Directorate	\$501,961.82
Community Services Directorate	\$93,133.50
Education Directorate	\$223,908.64
Environment, Planning and Sustainable Development Directorate	\$184,440.06
Health Directorate	\$14,309,507.52
Justice and Community Safety Directorate	\$127,435.80
Transport Canberra and City Services Directorate	\$66,000.00
Total	\$15,565,141.48

Table 2: Number of Individuals Receiving an ARIn - 31 March 2018

Directorate	Individuals Receiving an ARIn
Canberra Institute of Technology	8
Chief Minister, Treasury and Economic Development Directorate	26
Community Services Directorate	24
Education Directorate	77
Environment, Planning and Sustainable Development Directorate	16
Health Directorate	313
Justice and Community Safety Directorate	9
Transport Canberra and City Services Directorate	5
Grand Total	478

¹ The value excludes an estimate of the value of a non-cash benefit, such as the provision of a car. The number of ARIns including this benefit is very small and is not considered to materially affect the overall outcome.

Table 3: Number of Individuals Receiving an ARIn (by Classification) - 31 March 2018

Classification	Individuals Receiving an ARIn		Individuals Receiving an ARIn
Admin service officer 3	1	Prosecutor grade 5	1
Admin service officer 4	1	Registered nurse 5	1
Admin service officer 5	1	Registrar	1
Admin service officer 6	1	School assistant 2/3	3
Assist parliam counsel 1	1	School assistant 3	64
Career medical officer 2	3	School network leader	5
Dentist level 1/2	12	Senior career medical of	1
Dentist level 3	2	Senior info tech off a	1
Facilities service off 7	6	Senior info tech off b	1
Facilities service off 8	2	Senior info tech off c	6
Health prof officer 2	14	Senior officer a	28
Health prof officer 3	65	Senior officer b	14
Health prof officer 4	37	Senior officer c	3
Health prof officer 5	1	Senior prof officer a	5
Health prof officer 6	3	Senior prof officer b	2
Health professional 2	2	Senior prof officer c	1
Infrastructure officer 3	2	Senior specialist	95
Professional officer 2	4	Specialist	85
		Teacher level 1	1
Total			478²

The major user of ARIns is the Health Directorate (approximately 2/3). This reflects the highly competitive national market Health operates within for Medical and Health Professional staff. Other usage across the Service is more incidental and is structured to meet individual circumstances.

² Please note that two ARIns are in classifications with a small number of people and are not included as they would be identifiable.