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CIRCULAR TO DEPARTMENTS AND AUTHORITIES NO. 9 of 2010

DISTRICT ALLOWANCE (GOVERNMENT OFFICERS) GENERAL AGREEMENT 2010

IMPLEMENTATION GUIDELINES

Implementation Guidelines are attached to this Circular for the District Allowance (Government Officers) General Agreement 2010.

Should you require additional information about the application of this Circular please contact your agency Labour Relations Adviser.

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EXECUTIVE DIRECTOR
LABOUR RELATIONS

25 October 2010

**DISTRICT ALLOWANCE (GOVERNMENT OFFICERS)
GENERAL AGREEMENT 2010**

Implementation Guidelines

2010

TABLE OF CONTENTS

	Page
1. OVERVIEW	4
2. GOVERNMENT OFFICERS	5
2.1 APPLICATION	5
2.2 PAYMENT OF ARREARS	5
2.3 DEPENDANTS – MAIN FINANCIAL SUPPORT	5
2.4 DISTRICT ALLOWANCE TRANSITION	6
2.5 DISTRICT ALLOWANCE REGIONAL RATES – 1 JULY 2010	6
2.6 ADJUSTMENTS TO DISTRICT ALLOWANCE RATES – 1 JULY 2011	10

IMPLEMENTATION GUIDELINES

1. OVERVIEW

The District Allowance (Government Officers) General Agreement 2005 and the District Allowance (Government Wages Employees) General Agreement 2005 provided for a substantive review of District Allowances. The review has been conducted over a number of years and resulted in significant changes to District Allowance.

The outcome of the review was to establish a formula and robust methodology for the calculation of District Allowance based on objective factors. In the future, District Allowance will be calculated according to the following formula:

- (a) Cost of living: a two yearly Regional Price Survey will be conducted, which will be used to create a Regional Price Index (RPI) to show cost of living differentials to Perth.
- (b) Climate component: a value for each location is derived from the division of the Bureau of Meteorology Relative Strain Index (RSI).
- (c) Isolation component: a value for each location is derived from the division of the Accessibility/Remoteness Index of Australia (ARIA+).
- (d) Base salary rate: Level 1.1 general division salary rate from the Public Service General Agreement (PSGA) 2008, or as replaced.

The new General Agreements giving effect to these changes were negotiated by the Department of Commerce (Commerce) on behalf of respondent employers and the unions representing public sector employees. The parties agreed that the outcomes of these General Agreements would override all provisions in the relevant industrial instruments for District Allowance.

The back payment for District Allowance to 1 July 2008 and 1 July 2009 is funded from the Government's Consolidated Revenue Fund (CRF). However, from 1 July 2010, increases to District Allowance are funded by both CRF and the Royalties for Regions (RFR) scheme. There are legislative reporting requirements associated with RFR, and as such Commerce will be conducting a survey requesting agencies provide information on:

- (a) the number of regional employees per location receiving a District Allowance; and
- (b) the number of regional employees receiving double the rate for dependants.

Funding for employers to pay future District Allowance increases is contingent upon agencies providing accurate information at a point in time to be determined by Commerce. CRF funding for District Allowance will be included in each agency's budget, and RFR will be allocated in addition to CRF. Commerce will be contacting agencies later this year to conduct the first survey.

The following Implementation Guidelines provide information for the District Allowance (Government Officers) General Agreement 2010.

A copy of the Agreement, and this document can be accessed from Commerce's website at: www.commerce.wa.gov.au/LabourRelations/PDF/Circulars/circulars.htm

2. GOVERNMENT OFFICERS

2.1 APPLICATION

- (a) The District Allowance (Government Officers) General Agreement 2010 (the Agreement) was registered by the Public Service Arbitrator on 31 August 2010, with the Agreement taking effect from the beginning of the first pay period commencing on or after 31 August 2010.
- (b) Circular to Departments and Authorities No. 7 of 2010 was issued by the Executive Director of Labour Relations on 6 September 2010 to enable agencies to implement the terms and conditions of the Agreement.
- (c) The Agreement will expire on 31 August 2013, being three years from the date of registration as per Clause 6.1 of the Agreement.
- (d) Government Officers whose employment ceased prior to 31 August 2010 are not entitled to the payment of arrears as per Subclause 8.1.2 of the Agreement.
- (e) The parties agreed that the District Allowance increases, effective 1 July 2010, will absorb the North West Child Allowance, which is also referred to as a "Child Allowance." The Allowance, which provides for \$100 per annum per child up to a maximum of \$400 per year is to cease from 1 January 2011.

2.2 PAYMENT OF ARREARS

- (a) Subclause 8.1 provides for the payment of arrears for eligible officers.
- (b) Prior to the date of registration of the Agreement, officers who commenced employment with their current employer within one calendar week of ceasing employment with their previous Western Australian (WA) public sector employer, are entitled to the payment of arrears. The one week break limit between periods of employment does not include periods of paid leave.
- (c) The current employer is responsible for paying the arrears to officers. If an officer has changed employer within the WA public sector, the current employer is responsible for payment of arrears to that officer.
- (d) Casual employment is by the hour and there is no entitlement to back pay for employment that occurred prior to the date of effect of the Agreement.

2.3 DEPENDANTS – MAIN FINANCIAL SUPPORT

- (a) The Agreement introduces the definition of "main financial support" at Clause 3.3, effective from 1 July 2010, as being where the child or other relative is in receipt of income of less than half the annualised WA minimum adult wage as at 30 June of the immediate past financial year, excluding income from a disability support pension. The WA minimum adult wage is set annually by the Western Australian Industrial Relations Commission (WAIRC).

For instance, the WA minimum adult wage as at 30 June 2010 is \$569.70 per week (based on a 38 hour week). The WA minimum adult wage as at 30 June 2011 will be \$587.20 per week (based on a 38 hour week).

2.4 DISTRICT ALLOWANCE TRANSITION

(a) 1 July 2008 – 30 June 2010

The first transition phase contained in Clause 10 of the Agreement provides for back payment to 1 July 2008 and 1 July 2009 for eligible officers. The rates are provided for in Schedule C and D of the Agreement. The increases are 30% for the Kimberley, 50% for the Pilbara and 5% for Districts 2 – 4 based on the District Allowance boundaries shown in Schedule F – District Allowance Map 1 July 2008 – 30 June 2010.

(b) 1 July 2010 – 30 June 2011

The second transition phase provides for a move to the Regional Development Commission Boundaries with the District 1 exclusion zone remaining as is. This is provided for in Clause 11 and delineated in Schedule G – District Allowance Map 1 July 2010 – 30 June 2011. The second phase provides for an increase to District Allowance rates as at 1 July 2010, with the largest increases in the Pilbara and Kimberley.

The rates for 2010 are based on the current PSGA 2008 Level 1.1. general division salary rate, the 2007 Regional Price Survey, climate values from the Bureau of Meteorology RSI and isolation values derived from the ARIA+.

(c) 1 July 2011 onwards

The third phase, effective from 1 July 2011, is when the new methodology fully comes into operation. This is described in Clause 12 and shown in Schedule H – District Allowance Map as at 1 July 2011. This also includes modification of the exclusion zone, formerly known as District 1. The modified exclusion zone includes the remaining Mid West becoming eligible for District Allowance from 1 July 2011, depending on the outcome of the 2011 Regional Price Survey.

District Allowance rates to be effective from 1 July 2011 will be issued by the Executive Director of Labour Relations via a Circular to Departments and Authorities, following a Regional Price Survey being undertaken in March/April 2011.

2.5 DISTRICT ALLOWANCE REGIONAL RATES – 1 JULY 2010

(a) 1 July 2010 transition to the Regional Development Commission Regions

The transition to the new regions as per Schedule G of the Agreement is guided by the following principles:

- an eligible officer who is currently receiving a District Allowance will continue to receive a District Allowance; and
- if the applicable rate from 1 July 2009 (as shown in Schedule D) is higher than the new applicable rate effective 1 July 2010 (Schedule E), the higher 2009 rate will be maintained administratively until 30 June 2011.

The following examples outline the transition from the former District Allowance Zones to the Regional Development Commission Regions:

(i) **Kimberley**

Officers working in the former District 5 and District 6 that is now part of the Kimberley region will receive the Kimberley rate from 1 July 2010 as per Schedule E of the Agreement. For example this includes, but is not limited to, locations such as Wyndham and Kalumburu.

Kununurra, Derby, Broome, Fitzroy Crossing and Halls Creek are exception towns and will receive the applicable exception town rates as per Column IV, Schedule E of the Agreement.

(ii) **Pilbara**

Officers working in the former District 5 that is now part of the Pilbara region will receive the Pilbara rate from 1 July 2010 as per Schedule E of the Agreement. For example this includes, but is not limited to, locations such as Tom Price and Paraburdoo.

Exception towns located in the Pilbara include Karratha and Port Hedland. Officers working in these exception towns will receive the applicable exception town rates as per Schedule E of the agreement.

(iii) **Gascoyne**

Officers working in the former District 5 that is now part of the Gascoyne region are eligible to have the 1 July 2009 rate (\$4,829) maintained until 30 June 2011. For example this includes, but is not limited to, locations such as Coral Bay.

Officers working in the former Districts 4 and 3 that are now part of the Gascoyne region, will receive the Gascoyne regional rate from 1 July 2010 as per Schedule E of the Agreement. For example this includes, but is not limited to, locations such as Denham.

Exception towns located in the Gascoyne include Carnarvon and Exmouth. Officers working in these exception towns will receive the applicable exception town rates as per Schedule E of the Agreement.

(iv) **Mid West**

Officers working in the former District 5 that is now part of the Mid West region are eligible to have the 1 July 2009 rate (\$4,829) maintained until 30 June 2011. For instance this includes, but is not limited to, locations such as Coobina.

Officers working in the former District 4 that is now part of the Mid West region are eligible to have the 1 July 2009 rate (\$2,904) maintained until 30 June 2011.

Officers working in the former District 3 that is now part of the Mid West region will receive the 'former District 3 locations' rate for the Mid West (\$2,887) from 1 July 2010 as per Column IV, Schedule E of the Agreement. For example this includes, but is not limited to, locations such as Mt. Magnet and Cue.

Officers working in the former District 1, now referred to as the Exclusion Zone, are not eligible for District Allowance.

(v) **Goldfields-Esperance**

Officers working in the former District 5 that is now part of the Goldfields-Esperance region are eligible to have the 1 July 2009 rate (\$4,829) maintained until 30 June 2011.

Officers working in the former District 4 that is now part of the Goldfields-Esperance region are eligible to have the 1 July 2009 rate (\$2,904) maintained until 30 June 2011. For example this includes, but is not limited to, locations such as West Musgrave.

Officers working in the former District 3 that is now part of the Goldfields-Esperance region are eligible to have the 1 July 2009 rate (\$2,744) maintained until 30 June 2011. For example this includes, but is not limited to, locations such as Leinster and Laverton.

Officers working in the former District 2 are eligible for the Goldfields-Esperance regional rate from 1 July 2010 as per Schedule E of the Agreement. For example this includes, but is not limited to, locations such as Coolgardie and Houttown.

Exception towns located in the Goldfields-Esperance region include Kalgoorlie-Boulder, Esperance, Eucla, Warburton Mission, Leonora and Ravensthorpe. Officers working in these exception towns will receive the applicable exception town rates as per Schedule E of the Agreement.

(vi) **Wheatbelt**

Officers working in the former District 3 that is now part of the Wheatbelt region are eligible to have the 1 July 2009 rate (\$2,744) maintained until 30 June 2011.

Officers working in the former District 2 that is now part of the Wheatbelt region are eligible for the 'Former District 2 locations' rate for the Wheatbelt (\$2,523) from 1 July 2010 as per Column IV, Schedule E of the Agreement. For example this includes, but is not limited to, locations such as Mukinbudin and Southern Cross.

Officers working in the former District 1 that now belong to the Wheatbelt are not eligible for District Allowance. There are no exception towns located in the Wheatbelt.

(vii) **Great Southern**

Officers working in the former District 2 that is now part of the Great Southern region, are eligible for the 'Former District 2 locations' rate in the Great Southern (\$2,523) from 1 July 2010 as per Column IV, Schedule E of the Agreement. For example this includes, but is not limited to, locations such as Bremer Bay.

Jerramungup is the only exception town located in the Great Southern. Officers working in Jerramungup will receive the applicable exception town rate as per Schedule E of the Agreement.

(viii) **Exclusion Zone (former District 1)**

Officers located in the former District 1, except for those officers working in Jerramungup, are not eligible for District Allowance.

(b) ***Exceptions to Standard Rate Town or Place***

Schedule E – District Allowance Rates as at 1 July 2010 provides both the regional rates, and the rates for officers whose headquarters are located in ‘exceptions to standard rate town or place.’ Most towns that were formerly exception towns are still exception towns as shown in column IV, Schedule E of the Agreement. However, there have been some changes effective from 1 July 2010, which are outlined below:

(i) *Nullagine and Marble Bar:*

Prior to 1 July 2010 Nullagine and Marble Bar were ‘exception towns’ and received a different District Allowance rate to the former District 5. However, as the towns of Nullagine and Marble Bar were not surveyed in the 2007 Regional Price Survey, an appropriate RPI could not be allocated to those towns. Consequently, from 1 July 2010 Nullagine and Marble Bar will receive the Pilbara regional rate of \$9,072 per annum.

(ii) *Denham:*

Prior to 1 July 2010 Denham was an ‘exception town’ and received a different District Allowance rate to the former District 4. However, as Denham was not included in the 2007 Regional Price Survey, an appropriate RPI could not be allocated to Denham. Consequently, from 1 July 2010, Denham will receive the Gascoyne regional rate of \$2,904 per annum.

(iii) *Kununurra, Derby and Broome:*

Prior to 1 July 2010 Kununurra, Derby and Broome received the appropriate District Allowance rate – Kununurra was in District 6 and Derby and Broome were in District 5. However, as all three locations were surveyed in the 2007 Regional Price Survey, an appropriate RPI could be allocated to those towns. The applicable rates, effective from 1 July 2010 can be found in Schedule E of the Agreement.

(iv) *Karratha/Dampier/Roebourne/Wickham:*

The parties reached agreement that Karratha’s surrounding areas of Dampier, Roebourne and Wickham would receive the same District Allowance rate as Karratha effective from 1 July 2010. For example, if an officer’s headquarters is located in Roebourne, the officer will receive the same District Allowance rate to those officers whose headquarters are located in Karratha.

(v) *Port Hedland and South Hedland:*

Officers whose headquarters are located in South Hedland are to be paid the District Allowance rate for Port Hedland.

2.6 ADJUSTMENTS TO DISTRICT ALLOWANCE RATES – 1 JULY 2011

- (a) Schedule H of the Agreement shows the Regional Development Commission Boundaries and the modified exclusion zone (formerly known as District 1) effective from 1 July 2011. From 1 July 2011, new District Allowance rates will be issued by the Executive Director of Labour Relations via a Circular to Departments and Authorities, following a Regional Price Survey being undertaken in March/April 2011.
- (b) The Regional Price Survey is to be conducted every two years in consultation between the parties as per clause 15 of the Agreement.
- (c) The parties agreed that from 1 July 2011 the cost of living component used in the aggregate District Allowance rate will rise and fall according to the actual calculation, and will not be maintained at the previous amount if there is a reduction. This is outlined in subclause 13.1.1 of the Agreement.