QUEENSLAND TEACHERS' UNION OF EMPLOYEES EST 1889

EB9

Salaries

The following factors are considered when negotiating salary increases during EB.

1. *Interstate comparisons*

Every three years, teacher unions across the country negotiate new agreements. The following is a comparison of existing per annum salaries (equivalent to EST) across the country.

	2018	2019	2020	2021	Rostered duty time/week
Queensland (EST)	(1 July 2018) 101,000	(Exp: 30/6/19)			25 hrs
ACT (ET 2)	(1/4/18) 101,821 (Exp: 30/9/18)				36.75 hrs
NSW (2.3)	(1/01/18) 100,299	(1/01/19) 102,806 (Exp: 31/12/19)			27.5 hrs (avg)
NT (CT9)	(1/10/18) 105,172	(1/10/19) 107,801	(1/10/20) 110,496	(Exp: 30/9/21)	36.75 hrs
SA (Step 9)	(1/10/17) 98,806 (Exp: 30/6/18)				26 hrs, 40mins
Tasmania (1-13)	97,763 (Exp: 30/6/18)				35 hrs
Victoria (2-6)	(1/4/18) 99,518 (1/10/18) 101,260	(1/4/19) 102,778 (1/10/19) 104,577	(1/4/20) 106,146 (1/10/20) 108,003	(Exp: 30/4/21)	38 hrs
WA (2.9)	(6/12/18) 105,049	(Exp: 5/12/19)			28.75 hrs

2. *Impact of government wages policy (GWP) on salaries*

The current GWP is for a 2.5 per cent pa increase. The table below shows the impact on EST salaries across the life of EB9 of four different levels of GWP.

GWP	2018	2019	2020	2021
2.5%	101,000	103,525	106,113	108,766
3.0%	101,000	104,030	107,151	110,365
3.5%	101,000	104,535	108,194	111,980
4.0%	101,000	105,040	109,242	113,611

Authorised by: Graham Moloney, General Secretary, Queensland Teachers' Union - PO Box 1750, MILTON BC QLD 4064
(August 2018)

3. Why is the 1 July date important?

The 1 July date is important for superannuation purposes. Many QTU members are part of the Q-Super Defined Benefit Scheme, which calculates your defined benefit upon retirement in the following way:

Multiple x final salary = defined benefit

The multiple is the percentage of your salary payable by each year you work. By default, the multiple increases by 0.21 each year where 0.21 reflects 21 per cent of your final salary.

The multiple adjusts based on the fraction that you work – e.g. if you work full-time one year your multiple is 0.21, if you work part-time in a 0.6 capacity the next year your multiple for that year will be 0.12 (0.21 x 60 per cent). These multiples are added together so that the multiple at the end of the two years of service equals 0.33 or 33 per cent of your final salary. (understanding the impact of part-time work or paid leave at a reduced fraction on the multiple is important in understanding the gender superannuation gap).

Each financial year, DoE provides QSuper with a salary report for super purposes which is used to calculate the benefit. This is your permanent full-time salary as at 1 July.

QSuper will calculate a final average salary for members who are 54 years old (or older). To do this they proportion the two most recent salaries for super purposes to get your final salary. Consequently, an EST who retires on 30 June 2019 who has worked for 30 years would have an average final salary calculated from the salary of 1 July 2018 and 1 July 2017 (i.e. $99,476)

e.g.: A teacher who works for 30 years full-time and retires on 30 June 2018 would have a multiple of 6.3 (30 x 0.21) and a final salary of $99,476 {(97,952 + 101,000)/2 = 198,952/2 = 99,476} and a retirement benefit of $626,698.90

As the final salary is determined by the last two annual salaries as at 1 July, if there is no increase to the salary as at 1 July the final average salary would be less, which impacts on the retirement benefit of the employee.

Scenario 1: If the agreement reached between DoE and the QTU led to an increase on 1 October 2019, the final average salary for an EST retiring on 30 June 2020 would be $101,000 (EST salary reported for superannuation purposes 1 July 2018 = $101,000 and EST salary 1 July 2019 = $101,000)

Scenario 2: For the same member retiring on 30 June 2020, if the date of increase is 1 July 2019 at 3.0 per cent GWP, the final average salary would be $102,515 (EST salary reported for superannuation purposes 1 July 2018 = $101,000 and EST salary 1 July 2019 = $104,030)

In a situation where the date of the annual increase was later than 1 July 2019 (i.e. in the first scenario) the member would need to teach an additional year (i.e. postpone their retirement) to achieve the same final average salary as that in the second scenario.

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4. Impact of inflation

Inflation is an increase in the level of prices of the goods and services that households buy. It is measured as the rate of change of those prices. Consequently, for salary increases to be genuine they need to keep up with or be more than the rate of inflation.

Current predicted inflation rates are as follows:

Year	CPI (%)
2018	2.24
2019	2.38
2020	2.51
2021	2.52

5. Other factors

In determining the claim for salary increases or the acceptability of the government wages offer, factors such as salary increases in other education sectors in Queensland (e.g. the Catholic sector), other cost of living indices (such as the cost of housing index) and the progress of negotiations regarding conditions are also considered.

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