

Update - 29 May 2020

For weeks, NTEU Fightback has been doing what the union's national leadership has been refusing to do - using the best available public information to give concrete, dollars-and-cents examples of how our pay can be cut under the National Framework.

The National Framework collapsed on 26 May. But the NTEU's national leadership is still working with several Vice Chancellors to get enterprise agreement variations (EAVs) based on it adopted at several universities.

As of the morning of 29 May, there is *still* no public information from the union demonstrating the extent of wage cuts that can happen under these Framework-based EAVs. Every enterprise agreement in the country has a wage chart as a basic component - but there is no such information available to NTEU members, even on campuses which are said to be facing ballots in coming weeks.

The correspondence below is from 22 May, when the national leadership of the NTEU admitted for the first time that a worker on the median full time female wage of \$65,000 can cop a pay cut of over \$300 per fortnight under the terms of the Framework.

On the employer body [website](#), the draft clauses of the actual enterprise agreement variations are now available. These are substantially the same as the clauses of the Frameworks Heads of Agreement, previously [available](#), which many NTEU members have become familiar with in recent weeks.

One of the clauses in the EAV (22.2.3), not previously publicly available, is what Alison Barnes relies on in her calculations below. We believe her calculations still understate the pay cut, as they don't take into account suspended increments and EA pay rises (which are not subject to 22.2.3).

However in the interests of simplicity, we have adopted Barnes' method of calculating pay cuts in our material from here on in.

And we're still asking - where are the pay charts?

And we're still voting no.

22 May 2020

Dear Alison

Thank you for your correspondence, admitting for the first time that **a worker paid the median full time female wage stands to lose an incredible \$305 per fortnight** from her pay packet under the terms of the National Framework.

I note that your calculations are based on premises which differ substantially from the clauses in the Heads of Agreement.

For your convenience, these clauses are reproduced here – in particular clause 60, which states that a reduction in salary of 15% is permitted for workers in Category B.

60. If a University is in Category B, the University may implement, to an amount equivalent to a maximum of 15% of the salary of any one employee in any given pay period:

- a. temporary reduction in pay, to a maximum of 10% (as outlined in item 63 to 66);
- b. deferral of pay rises and/or salary point increments (as outlined in items 73 to 74 below); and
- c. generalised fraction reduction confined to 10% (e.g. a 9-day fortnight) (as outlined in items 67 to 72 below).

Comment [NTEU46]: In category B the total temporary contribution from the employee cannot be more than 15% with the rate of pay to be reduced by no more than 10%

FRACTIONAL EMPLOYMENT

67. All ongoing and fixed-term employees may have a fraction reduction of a whole day (unless otherwise agreed), up to 10% of their usual fraction.

68. The fraction reduction will not apply to an employee who:

- a. for compelling special circumstances is unable to reduce their fraction;
- b. is an employee who is stood down;

Comment [NTEU50]: Fraction reductions can be up to 10% but the combination of the effects of fraction reductions and temporary wage cuts is limited as described above eg in Category A if an employee moves to a 90% fraction there can be no other wage reductions or deferrals applied to them.

extreme hardship there is the capacity to be exempt

By contrast, you claim that “a 15% reduction in total salary” is “effectively not possible under the Framework, even in Category B”.

There is nothing in the Heads of Agreement that supports your assertion – in fact this is the first time that this claim has been made anywhere. Your claim contradicts the plain language of clause 60b, above.

So which is deceptive – the language in the Heads of Agreement, or the claim in your letter?

In your letter you also state:

The first would be to apply a 10% salary reduction. This can only apply to money earned after \$30,000 per annum in a similar way to the ‘tax free threshold’, and is then recorded as a 10% reduction for the purposes of calculating the total. In other words the reference to a 10% maximum applies to the maximum rate that can be applied after the first \$30,000.

Again, this is not supported by any of the clauses of the Heads of Agreement.

You also state:

Given the complexity of the interplay between the salary threshold and fraction reductions, and with each university on different schedules of wage increases and employees on different increment levels, it is not possible to produce a calculator that correctly determines the outcome of the all the various permutations, nevertheless we will produce more detailed scenarios next week.

You seem here to be saying that it isn't possible to produce the sort of plain guide to wages that is found in every single Enterprise Agreement in the country -- but that someone on the median full time female wage can get a pay cut of \$305 per fortnight.

Both of these are excellent reasons for people to Vote NO to the Framework.

For your interest, NTEU Fightback's calculations – based on the clearly stated clauses of the Heads of Agreement rather than your unsubstantiated assertions about what is in the deal – can be found for all to see in our document “Wage cuts explained”, in our publicly accessible [folder of campaign material](#).

The sooner the NE comes clean with its calculations of what size of pay cut it is willing to see imposed on NTEU members, the better.

I await your reply with interest

Sincerely

Liam Ward

Email to National Councillors from Alison Barnes 22 May, (following their meeting on 20 May)

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Liam Ward's question

My calculations show that a HEW 4 worker on about \$65k could lose up to \$375 per fortnight in their income through a combination of fraction reductions and pay cuts at a Cat B institution. Do you dispute this, and will you show us your calculations?

No, these numbers are incorrect. This represents a 15% reduction in total salary, which is effectively not possible under the Framework, even in Category B (noting that the majority of universities would fall into Category A).

There are two ways that a university could apply the maximum salary reduction under the Framework once they are declared to be in Category B by the National Expert Panel.

The first would be to apply a 10% salary reduction. This can only apply to money earned after \$30,000 per annum in a similar way to the 'tax free threshold', and is then recorded as a 10% reduction for the purposes of calculating the total. In other words the reference to a 10% maximum applies to the maximum rate that can be applied after the first \$30,000.

A 10% salary reduction on \$35,000 = \$3500, meaning our hypothetical member's annual salary would be \$61,500.

From there the university could also apply a 5% fraction reduction, meaning the employee would get one extra day off a month. This is applied to the total income. This reduces her salary by \$3075, for a total reduction of \$6575.

While this results in a 10.3% reduction due to the action of the \$30,000 exemption it is recorded as 15% .

This equates to a reduction of **\$253 per fortnight**.

Further, as this employee's salary has been reduced by the maximum amount allowed under the category, they will continue to receive scheduled pay rises and incremental advancement and can use leave to supplement the 1 day per month.

The other option would be to apply the reductions the other way around – that is a 10% fraction reduction to the entire salary, then a 5% salary reduction. This also means this employee continues to receive salary and increment increases.

This would result in a salary reduction of **\$305 a fortnight**, (again without including wage and increment rises that will be paid) with an extra day off and resultant reduction in workload. This is the worst case scenario that can apply to this employee and would apply at very few universities.

For the same employee in a Category A university the answers would be:

5% salary reduction on \$35,000 = \$1750 bringing total salary to \$63250

5% fraction reduction = \$3162.50

Making a total reduction of \$4912.50 or **\$188 per fortnight** (or 7.6%)

or the other way around

10% fraction reduction = \$6500 or **\$250 per fortnight**

and no further reductions possible so the employee would continue to receive wage increases and incremental advancement. Further, this reduction can be fully ameliorated by using one day of annual or long service leave day per fortnight.

These are all subject to an extreme hardship exemption, and can only occur where the university has chosen to fully apply the permissible reductions (which they are not required to do by the NJPF).

Given the complexity of the interplay between the salary threshold and fraction reductions, and with each university on different schedules of wage increases and employees on different increment levels, it is not possible to produce a calculator that correctly determines the outcome of the all the various permutations, nevertheless we will produce more detailed scenarios next week.
