

# Effect of Terms: Operation and Wages provisions

## Purpose

The purpose of this document is to outline the effect of the following provisions of the proposed replacement *Department of Education Certified Agreement 2022* (proposed replacement agreement):

- Operation of the agreement; and
- Wages.

This document is intended to support the provisions mentioned above and should be read subject to them. In a separate document, a suite of frequently asked questions is provided in general terms to further aid in understanding the provisions. Also available on the Department of Education's website are explanatory notes explaining how the current certified agreement has been translated to the proposed replacement agreement.

## Operation of the agreement

The proposed replacement agreement includes a provision specifying that it will operate on and from the date that it is certified by the Queensland Industrial Relations Commission and will terminate on 31 August 2028 or unless otherwise agreed by the parties.

It also provides that the proposed replacement agreement will only be terminated once a replacement agreement is certified or an arbitration determination is made in relation to the group of employees covered by this agreement, unless otherwise agreed by the parties.

## Wages

The proposed replacement agreement will provide for wage increases of up to a maximum of 3.5 percent available in each year of the three-year agreement.

The wage increase available for each year consists of two components:

- A guaranteed wage increase; and
- A Consumer Price Index ('CPI') Uplift Adjustment ('CUA').

The two components that make up the wage increases will apply as follows:

- the guaranteed wage increase will be automatically payable to an employee provided they are employed under the proposed replacement agreement on or after its certification;
- the CUA is only payable where certain criteria are met and tops up the guaranteed wage increase for each year of the agreement where CPI exceeds the guaranteed increase.

These two components of the wage increases are discussed in greater detail below.

# Guaranteed Wage Increases

The guaranteed wage increases under the proposed replacement agreement will be as follows:

| Agreement year | Effective date of guaranteed increase | Guaranteed wage increase | What rate will it apply to                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------|---------------------------------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Year 1         | 1 September 2025                      | 3%                       | The rate of pay paid to an employee at the nominal expiry date of 31 August 2025 of the <i>Department of Education Certified Agreement 2022</i> . This means either <ul style="list-style-type: none"><li>- the final rate under the current certified agreement <i>Department of Education Certified Agreement 2022</i>, or</li><li>- the relevant parent award rate</li></ul> (whichever was higher at the nominal expiry date). |
| Year 2         | 1 September 2026                      | 2.5%                     | The relevant agreement rate of pay for Agreement Year 1 reflecting the guaranteed increase of 3% and the CUA if applicable.                                                                                                                                                                                                                                                                                                        |
| Year 3         | 1 September 2027                      | 2.5%                     | The relevant agreement rate of pay for Agreement Year 2 reflecting the guaranteed increase of 2.5% and any CUA if applicable.                                                                                                                                                                                                                                                                                                      |

A person will be eligible for the guaranteed wage increases provided they were employed under the proposed agreement on or after the date it was certified.

The guaranteed wage increases are reflected in the salary schedules of the proposed replacement agreement.

The guaranteed wage increases will also be applied to any relevant allowances and/or other financial elements as outlined in the agreement.

## CPI Uplift adjustment (CUA)

The CUA component of the wage increases is designed to respond to inflationary conditions by 'topping up' the guaranteed wage increases (discussed above) to provide up to a maximum overall increase of 3.5% in each year of the proposed replacement agreement.

This 'top up' will crystallise, (i.e. be payable) where:

- ✓ The CUA is triggered for a CUA period; and
- ✓ Either:
  - The employee eligibility requirements are met; or
  - The information required by Payroll is provided that verifies an exception applies such that the employee becomes eligible.

When payable the CUA will be considered a wage increase for all intents and purposes and will apply as if it had been paid with the relevant guaranteed wage increase.

## 1. The CUA Trigger

In order for the CUA to 'top up' the guaranteed wage increases, it must first be 'triggered'.

The CUA will be triggered as outlined below:

| What period under the agreement? |                                    | What needs to happen?                                                                                                                                                                                                     | How much will the CUA top up the guaranteed wage increase if this happens?                                                                                                       |
|----------------------------------|------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CUA period 1                     | 1 September 2025 to 31 August 2026 | The through the year March quarter 2026 Brisbane (All Groups) CPI figure published by the Australian Bureau of Statistics ('ABS') needs to be greater than the 3% guaranteed wage increase provided for agreement year 1. | The amount of CUA that will be triggered will be the percentage difference between the March 2026 Brisbane CPI figure and the 3% guaranteed wage increase, to a cap of 0.5%.     |
| CUA period 2                     | 1 September 2026 to 31 August 2027 | The through the year March quarter 2027 Brisbane (All Groups) CPI figure published by the ABS needs to be greater than the 2.5% guaranteed wage increase provided for agreement year 2.                                   | The amount of CUA that will be triggered will be the percentage difference between the March 2027 Brisbane CPI figure and the 2.5% guaranteed wage increase, to a cap of 1%.     |
| CUA period 3                     | 1 September 2027 to 31 August 2028 | The through the year March quarter 2028 Brisbane (All Groups) CPI figure published by the ABS needs to be greater than the 2.5% guaranteed wage increase provided for agreement year 3.                                   | The amount of the CUA that will be triggered will be the percentage difference between the March 2028 Brisbane CPI figure and the 2.5% guaranteed wage increase, to a cap of 1%. |

## 2. CUA eligibility

The CUA will 'top up' the guaranteed wage increase when the CUA has been triggered (as outlined above), and an employee meets the eligibility requirements (or where an exception applies). The eligibility requirements will depend on an employee's employment type, that is whether they are full-time, part-time or casual.

### 2A. Full-time and part-time employees

The following requirements must be met for a full-time or part-time employee to be eligible for the CUA, if it is triggered:

- ✓ the person must be employed under the agreement on or after the date it is certified; and
- ✓ the person must be employed during a CUA period provided for under this agreement; and
- ✓ the CUA is triggered for the CUA period; and
- ✓ the person must remain employed under the agreement at the date the CUA entitlement becomes payable (i.e. they are a 'current employee' when the above requirements are met).

When these requirements are met, an employee will be eligible for a CUA.

The eligibility requirements above are illustrated in the table on the following page.

| Eligibility requirements for full-time and part-time employees |                                                                                                                                          |                                                                                                |                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CUA period                                                     | The employment occurred on or after the date of certification                                                                            | Employment during the CUA period                                                               | The CUA was triggered for the CUA period                                                                                                                                              | Current employee under the agreement when the CUA is payable                                                                                                                                                                                                                                                                                       |
| 1                                                              | The employee was employed under the agreement on or after the day it is certified by the Queensland Industrial Relations Commission; and | The employee was employed between 1 September 2025 and 31 August 2026 under the agreement; and | The through the year March quarter 2026 Brisbane (All Groups) CPI figure published by the ABS is greater than the 3% guaranteed wage increase provided for in agreement year 1; and   | The employee remains under the agreement when the CUA is payable. This will be where the following requirements are met: <ol style="list-style-type: none"> <li>1. certification has occurred; and</li> <li>2. the employee was employed in a CUA period under the agreement; and</li> <li>3. the CUA was triggered for the CUA period.</li> </ol> |
| 2                                                              | The employee was employed under the agreement on or after the day it is certified by the Queensland Industrial Relations Commission; and | The employee was employed between 1 September 2026 and 31 August 2027 under the agreement; and | The through the year March quarter 2027 Brisbane (All Groups) CPI figure published by the ABS is greater than the 2.5% guaranteed wage increase provided for in agreement year 2; and | The employee remains under the agreement when the CUA is payable. This will be where the following requirements are met: <ol style="list-style-type: none"> <li>1. certification has occurred; and</li> <li>2. the employee was employed in a CUA period under the agreement; and</li> <li>3. the CUA was triggered for the CUA period.</li> </ol> |
| 3                                                              | The employee was employed under the agreement on or after the day it is certified by the Queensland Industrial Relations Commission; and | The employee was employed between 1 September 2027 and 31 August 2028 under the agreement; and | The through the year March quarter 2028 Brisbane (All Groups) CPI figure published by the ABS is greater than the 2.5% guaranteed wage increase provided for in agreement year 3; and | The employee remains under the agreement when the CUA is payable. This will be where the following requirements are met: <ol style="list-style-type: none"> <li>1. certification has occurred; and</li> <li>2. the employee was employed in a CUA period under the agreement; and</li> <li>3. the CUA was triggered for the CUA period.</li> </ol> |

## **2B. Casual employees**

The following requirements must be met for a casual employee to be eligible for the CUA:

- ✓ The person must be employed under the proposed replacement agreement on or after the date it is certified; and
- ✓ The person must be employed during a CUA period provided for under the agreement; and
- ✓ The CUA is triggered for the CUA period; and
- ✓ The person must be employed under the agreement at the date the CUA entitlement is payable; and
- ✓ the person must have performed work under the agreement in the 12 week payroll period immediately prior to the date the CUA entitlement is payable. (i.e. they are a 'current employee' on that date).

The date the CUA entitlement is payable will be the latest of the following dates:

- The agreement being certified;
- The employee was employed during a CUA period provided for under the agreement; The CUA being triggered for the CUA period.

The eligibility requirements above are illustrated in the table on the following page.

| Eligibility requirements for casual employees |                                                                                                                                          |                                                                                                |                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CUA period                                    | The employment occurred on or after the date of certification                                                                            | Employment during the CUA period                                                               | The CUA was triggered for the CUA period                                                                                                                                         | Current employee under the agreement when the CUA is payable                                                                                                                                                                                                                                                                                                                                                                    | Employee performed work in the 12 week payroll processing period prior to the CUA is payable                                                                                                                                                                                                                                                                                                                                                                           |
| 1                                             | The employee was employed under the agreement on or after the day it is certified by the Queensland Industrial Relations Commission; and | The employee was employed under the agreement between 1 September 2025 and 31 August 2026; and | The through the year March quarter 2026 Brisbane (All Groups) CPI figure published by the ABS is greater than the 3% guaranteed wage increase provided for agreement year 1; and | <p>The employee was employed under the agreement at the date the CUA entitlement is payable</p> <p>The date the CUA entitlement is payable is the latter of the following dates:</p> <ol style="list-style-type: none"> <li>1. the certification date;</li> <li>2. the date the employee became employed during a CUA period under this agreement; and</li> <li>3. the date the CUA is triggered for the CUA period.</li> </ol> | <p>The employee performed work under the agreement in the 12 week payroll period immediately prior to the date the CUA became payable.</p> <p>The date the CUA entitlement is payable is the latter of the following dates:</p> <ol style="list-style-type: none"> <li>1. The certification date;</li> <li>2. The date the CUA became employed during a CUA period under this agreement; and</li> <li>3. The date the CUA was triggered for the CUA period.</li> </ol> |

|   |                                                                                                                                          |                                                                                                |                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---|------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2 | The employee was employed under the agreement on or after the day it is certified by the Queensland Industrial Relations Commission; and | The employee was employed under the agreement between 1 September 2026 and 31 August 2027; and | The through the year March quarter 2027 Brisbane (All Groups) CPI figure published by the ABS is greater than the 2.5% guaranteed wage increase provided for agreement year 2; and | <p>The employee was employed under the agreement at the date the CUA entitlement is payable and performed work under the agreement in the 12 week payroll period immediately prior to that date.</p> <p>The date the CUA entitlement is payable is the latter of the following dates:</p> <ol style="list-style-type: none"> <li>1. the certification date;</li> <li>2. the date the employee became employed during a CUA period under this agreement; and</li> <li>3. the date the CUA is triggered.</li> </ol> | <p>The employee performed work under the agreement in the 12 week payroll period immediately prior to the date the CUA became payable.</p> <p>The date the CUA entitlement is payable is the latter of the following dates:</p> <ol style="list-style-type: none"> <li>1. The certification date;</li> <li>2. The date the CUA became employed during a CUA period under this agreement; and</li> <li>3. The date the CUA was triggered for the CUA period.</li> </ol> |
| 3 | The employee was employed under the agreement on or after the day it is certified by the Queensland Industrial Relations Commission; and | The employee was employed under the agreement between 1 September 2027 and 31 August 2028; and | The through the year March quarter 2028 Brisbane (All Groups) CPI figure published by the ABS is greater than the 2.5% guaranteed wage increase provided for agreement year 3; and | <p>The employee was employed under the agreement at the date the CUA entitlement is payable and performed work under the agreement in the 12 week payroll period immediately prior to that date.</p> <p>The date the CUA entitlement is payable is the latter of the following dates:</p> <ol style="list-style-type: none"> <li>1. the certification date;</li> <li>2. the date the employee became employed during a CUA period under this agreement; and</li> <li>3. the date the CUA is triggered.</li> </ol> | <p>The employee performed work under the agreement in the 12 week payroll period immediately prior to the date the CUA became payable.</p> <p>The date the CUA entitlement is payable is the latter of the following dates:</p> <ol style="list-style-type: none"> <li>1. The certification date;</li> <li>2. The date the CUA became employed during a CUA period under this agreement; and</li> <li>3. The date the CUA was triggered for the CUA period.</li> </ol> |

### 3. Exceptions to eligibility for the CUA

An exception to the eligibility requirements for CUA may apply where:

- a person has worked under an agreement on or after the date it was certified; and
- they have worked under that agreement during a CUA period;
- and the CUA is triggered for the CUA period; but
- they were not a current employee at the date the CUA became payable; or
- in the case of a casual they did not work in the 12 weeks prior to the date the CUA became payable.

This means they would have otherwise been eligible for a CUA but for the fact that they were either:

- They were not employed under the agreement at the date the CUA entitlement was payable; or
- In the case of a casual, they did not perform work under the agreement within the 12 -week payroll period immediately prior to the date the CUA was payable.

In this circumstance a person will need to submit relevant information required by Payroll to confirm that an exception applies. Payroll will advise of the relevant information required but it will be limited to:

- Information which shows that the person was employed under the agreement during a CUA period when the CUA was triggered; and
- Information necessary to ensure appropriate payment can be made by payroll (e.g. tax file number, bank account and/or superannuation details).

The requirement to provide information to payroll is not intended to place an unnecessary burden on employees. The type of information required will be limited to what payroll needs to assess and process the payment.

Once payroll confirms based on the relevant information that an exception applies, the person will become eligible for a CUA.

**This exception does not extend to a person who has left the proposed replacement agreement before it was certified. Persons who have ceased employment before the proposed agreement was certified, will not be eligible for the guaranteed wage increases or the CUA.**

### 4. Payment of the CUA

Where the CUA entitlement is payable, it will be treated as a 'top up' of the guaranteed wage increase under the agreement. For all intents and purposes the CUA is considered a wage increase under the proposed agreement.

This means it will take effect from the same date as the relevant guaranteed wage increase and be treated as if it had been applied from that date. It also means that where the CUA entitlement is payable, the salary schedule rates will increase to include the CUA, as will any allowances and/or other financial elements that usually increase in accordance with wage increase rates under the agreement.

Where the CUA entitlement is payable it will also have a compounding effect for the purposes of subsequent guaranteed wage increases and CUA. This means that all subsequent wage increases (years 2 and 3) will be applied to the adjusted salary schedule rate that reflects both the guaranteed wage increase and the CUA entitlement when applicable. The same will occur for any allowances and/or other financial elements that would usually increase in accordance with the wage increases under the agreement.

(years 2 and 3) will be applied to the adjusted salary schedule rate that reflects both the guaranteed wage increase and the CUA entitlement when applicable. The same will occur for any allowances and/or other financial elements that would usually increase in accordance with the wage increases under the agreement.

The Department of Education will publish updated rates to reflect the CUA entitlement where it is payable on the Department of Education's public facing website.

The provision refers to the fact that where an employee receives an award rate of pay during a CUA period, this is taken to be absorbed by the CUA. This means that the CUA will not be paid on top of any award rate of pay should the award rate become payable during the life of the agreement. This is because the CUA is part of the agreement wage increases. In this circumstance, a person will still receive the full CUA when payable in accordance with their relevant industrial instruments.

Payment of the CUA will be made no later than the pay period that is two months after the CUA becomes payable. If a CUA is payable to an employee but they leave the agreement prior to payment being made, they will retain eligibility.



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