

Media Release

The Hon Tim Pallas MP

Treasurer

Minister for Industrial Relations

Minister for Trade and Investment



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NEW WAGES POLICY STRIKES RESPONSIBLE BALANCE FOR VICTORIA

The Andrews Labor Government has confirmed the framework for future enterprise agreements with the state's public sector workers, under an updated wages policy.

Minister for Industrial Relations Tim Pallas today released details of the new Victorian Public Sector Wages Policy, which increases the wages component from the current 1.5 per cent per annum to a funded annual increase of 3 per cent.

In addition to annual wage increases there is also the ability for workers to obtain a lump-sum sign on bonus equal to up to 0.5 per cent of overall agreement costs.

Public sector employers will also be able to seek productivity improvements and efficiencies which can generate additional entitlements.

The policy strikes a balance between providing fair outcomes for valued public sector employees and protecting the wider interests of Victorians as the economy continues its steady rebound from the effects of the pandemic.

Just as all Victorians are facing cost of living challenges with rising interest rates and inflation, the Victorian Budget will also take into account current economic conditions, delivering on the Labor Government's election commitments as we continue our strong economic recovery.

The Government's four-step fiscal plan is on track to return the Budget to surplus following unprecedented investments that were required to protect Victorian lives and livelihoods – the *Victorian Budget 2023/24* will continue this work.

The new policy will apply immediately, including to public sector enterprise agreements that have already reached their nominal expiry dates and where bargaining for replacement agreements is already underway.

Quotes attributable to Minister for Industrial Relations Tim Pallas

"Our public sector workers do a great job serving their fellow Victorians and we're proud to support them."

"In addition to wage increases, workers will be able to obtain a sign-on bonus while productivity improvements will bring the potential for further advancement of conditions."

"The policy provides fair outcomes for employees while being responsible as we deal with the types of budget challenges faced by families, businesses and governments across the world."