

Ministry of Social Development - Remuneration

Supporting the staff of the Ministry of Social Development (MSD) by funding remuneration cost pressures and collective bargaining commitments

Wellbeing Budget 2023

This initiative funds remuneration increases arising from collective bargaining commitments for MSD employees and to give effect to the Public Sector Pay Adjustment.

The Government is investing \$342.606 million from 2022/23 to 2026/27 to fund remuneration increases at MSD arising from collective bargaining commitments, provide funding for remuneration cost pressures to give effect to the Public Sector Pay Adjustment (PSPA) in the 2022/23 year and establish a tagged contingency for remuneration cost pressures affecting MSD to support the PSPA over four years from 2023/24.

- MSD has one of the largest workforces of any government department, with a payroll covering around 9,000 staff.
- The bulk of the remuneration package (\$241.468 million) is provision for the PSPA, which has been negotiated right across the public sector.
- This provides for an initial payment of \$4,000 in the first year. A second year increase will follow at either \$2000 or 3% of income (capped at \$5,400); as well as a \$500 sum.
- The balance of \$101.138 million is for remuneration increases from collective bargaining commitments, including \$58.8 million for a new remuneration framework for managers and senior specialists.
- MSD needs to increase remuneration for this group of senior specialist staff and managers because of high rates of attrition and pay rates that have fallen well behind the rest of the public sector. The changes also recognise the value brought to MSD by frontline managers in the regions.
- Remuneration ranges for managers and senior specialists have not been adjusted since May 2019. By implementing a new remuneration framework for managers and senior specialists, MSD is ensuring that its people are paid fairly for the work they do.

Costs (\$m, operating)	2022/23	2023/24	2024/25	2025/26	2026/27	TOTAL
Collective bargaining		9.705	22.113	34.660	34.660	101.138
PSPA	13.842					13.842
Tagged contingency		52.759	58.289	58.289	58.289	227.626