

Cost of Living Adjustment (COLA) Payment – 2023 Core Agreement

Purpose

This document has been prepared to assist in implementing and responding to questions regarding the Cost of Living Adjustment (COLA) payments provided in the *State Government Entities Certified Agreement 2023 (2023 Core Agreement)*.

This document should be read in conjunction with the provisions of the 2023 Core Agreement, as well as the effect of terms document provided to support the consultation process. This document includes a glossary and visual aides to support employee understanding.

The 2023 Core Agreement COLA payments operate differently to COLA payments in other Certified Agreements, in that Government approved for the COLA payments, if triggered, to be made at the beginning (rather than the end) of each agreement year. Accordingly, these FAQs are specific to the 2023 Core Agreement and are not to be applied to other Certified Agreements.

The examples provided in these FAQs are to assist the implementation of the COLA clause for the 2023 Core Agreement. The examples are general in nature and do not consider the specifics of a particular circumstance which may need to be considered further by an entity.

Preamble

In each year of the agreement, if annual inflation (Brisbane Consumer Price Index, all groups, March quarter annual percentage change from the March quarter of the previous year, as published by the Australian Bureau of Statistics) exceeds the relevant wage increase under the agreement, a COLA payment will be paid to eligible employees, within the following parameters:

- at the beginning of the relevant agreement year;
- equal to the difference between annual inflation and the relevant wage increase under the agreement, capped at 3 percentage points (3%);
- with reference to base wages earned under the predecessor agreement or arrangement in the first year, or the 2023 Core Agreement for years two and three, during the relevant COLA year, excluding allowances or additional payments; and
- as a one-off lump sum not forming part of base salary and taxed according to the applicable law.

The COLA payment recognises particular economic pressures on employees and provides for a 'top-up payment' in addition to base wage increases.

Glossary

COLA year – means one of the three 12-month periods from 1 July in one year to 30 June in the following year that includes a *calculation date*. The COLA years will be:

- 1 July 2022 – 30 June 2023 (COLA year 1);
- 1 July 2023 – 30 June 2024 (COLA year 2); and
- 1 July 2024 – 30 June 2025 (COLA year 3).

base wages – for an *eligible employee*, means the salary actually payable to the particular employee in the relevant *COLA year* for work and periods of paid leave covered by a *predecessor agreement or arrangement* in *COLA year 1*, or the 2023 Core Agreement in *COLA year 2* and 3, and includes higher duties performed by the employee under a *predecessor agreement or arrangement* or the 2023 Core Agreement and includes the casual loading where applicable. It does not include any other allowances or additional payments howsoever described (such as: disability allowances or special rates, all-purpose allowances, overtime payments, shift penalties, weekend penalties, public holiday penalties, aggregated penalties or allowances, any payments of accrued leave where the leave is not taken; any payments for TOIL where the TOIL is not taken, COLA payments from previous periods, etc).

Base wages earned as a Queensland Police Service employee and/or Queensland Fire and Emergency Services employee within Disaster Management who will transition to the Queensland Police Service consistent with the Functional Transition Agreement dated 15 June 2023, are excluded.

calculation date – means, either:

- 30 June 2023 (COLA payment year 1); or
- 30 June 2024 (COLA payment year 2); or
- 30 June 2025 (COLA payment year 3).

COLA payment percentage – see clause 2.2.4(2) of the 2023 Core Agreement COLA clause.

CPI – means the Brisbane Consumer Price Index (all groups, March quarter annual percentage change from the March quarter of the previous year), for the March that falls within the relevant *COLA year*, as published by the Australian Bureau of Statistics. Treasury will advise agencies of the CPI relevant to COLA considerations upon its release in each year.

eligible employee – see clause 2.2.3 of the 2023 Core Agreement COLA clause and refer to questions 1 and 2 in these FAQs.

Predecessor agreement or arrangement – means:

- *the State Government Entities Certified Agreement 2019* (the 2019 Core Agreement);
- *the QBuild Office Staff Certified Agreement 2019* (2019 QBuild Office Staff Agreement); and the remuneration arrangements for Community Visitors employed pursuant to the *Public Guardian Act 2014*.

For the purposes of *COLA year 1*, the *predecessor agreement* for Seniors and Disability Services employees, and Multicultural Affairs employees, is the 2019 Core Agreement.

Queensland government employee – means a person employed in a government entity, as defined in section 24 of the repealed *Public Service Act 2008* (Qld) as in force at 1 October 2022, and the entities specified at sections 24(2)(c), 24(2)(d) and 24(2)(h) of the Act: the parliamentary service, the Governor's official residence and its associated administrative unit, and the police service.

wage increase under the Agreement – means the wage increase of either 4%, 4% or 3%, as specified in the 2023 Core Agreement, that occurs on the day after the end of the *COLA year*.

The terms of the clause

1. Who is an eligible employee for COLA payment year 1?

For COLA year 1, an employee is an *eligible employee* if they:

- performed work under a *predecessor agreement or arrangement* during COLA year 1 (1 July 2022 – 30 June 2023); and
- on the *calculation date* for COLA year 1 (30 June 2023) they were:
 - covered by a *predecessor agreement or arrangement*; and
 - not a Queensland Police Service (QPS) employee; and not a Queensland Fire and Emergency Services (QFES) employee within Disaster Management who will transition to the QPS consistent with the Functional Transition Agreement dated 15 June 2023.

Example 1 - 2019 Core Agreement employees: employees are eligible if they performed work under the 2019 Core Agreement during COLA year 1 (1 July 2022 – 30 June 2023) and on the *calculation date* of 30 June 2023 were covered by the 2019 Core Agreement. See example 6 below for QPS and referenced QFES employees.

Example 2: Seniors and Disability Services employees: employees are eligible if they performed work under the 2019 Core Agreement during COLA year 1 (1 July 2022 – 30 June 2023) and on the *calculation date* of 30 June 2023 were covered by the 2019 Core Agreement. Note, all work performed by Seniors and Disability Services employees in COLA year 1 is considered to be under the 2019 Core Agreement – see definition of *predecessor agreement or arrangement*.

Example 3 – QBuild Office Staff employees: employees are eligible if they performed work under the 2019 QBuild Office Staff Agreement during COLA year 1 (1 July 2022 – 30 June 2023) and on the *calculation date* of 30 June 2023 were covered by the 2019 QBuild Office Staff Agreement.

Example 4 - Multicultural Affairs employees: employees are eligible if they performed work under the 2019 Core Agreement during COLA year 1 (1 July 2022 – 30 June 2023) and on the *calculation date* of 30 June 2023 were covered by the 2019 Core Agreement. Note, all work performed by Multicultural Affairs employees in COLA year 1 is considered to be under the 2019 Core Agreement – see definition of *predecessor agreement or arrangement*.

Example 5 - Office of the Public Guardian Community Visitors (CVs): employees are eligible if they performed work under the remuneration arrangements for CVs during COLA year 1 (1 July 2022 – 30 June 2023) and on the *calculation date* of 30 June 2023 were covered by that arrangement.

Example 6 - QPS employees, including QFES Disaster Management employees who will transition to the QPS consistent with the Functional Transition Agreement dated 15 June 2023: QPS and referenced QFES employees are not eligible for COLA under the 2023 Core Agreement. This is because the Full Bench of the Queensland Industrial Relations Commission determined that QPS employees will not be covered by the 2023 Core Agreement and will be covered by a new QPS Staff Members Certified Agreement. Subject to negotiations and Government approval, the new QPS Staff Members Certified Agreement will provide COLA payments for QPS and referenced QFES employees.

Information regarding circumstances where an employee would have been eligible but they were no longer employed under a *predecessor agreement or arrangement* at the *calculation date* is provided at question 3 below.

Additional criteria apply for casual employees, these are provided at question 8 below.

Visual aides to support understanding of eligibility criteria can be found at Appendix A.

2. Who is an eligible employee for COLA payment years 2 and 3?

For *COLA year 2* (1 July 2023 – 30 June 2024) and *COLA year 3* (1 July 2024 – 30 June 2025), an employee is an *eligible employee* if they:

- performed work under the 2023 Core Agreement during the relevant *COLA year*, and
- are covered by the 2023 Core Agreement on the relevant *calculation date* for the associated COLA payment.

Example 1 - COLA year 2: employees are eligible if they performed work under the 2023 Core Agreement during *COLA year 2* (1 July 2023 – 30 June 2024) and on the *calculation date* of 30 June 2024 were covered by the 2023 Core Agreement.

Example 2 - COLA year 3: employees are eligible if they performed work under the 2023 Core Agreement during *COLA year 3* (1 July 2024 – 30 June 2025) and on the *calculation date* of 30 June 2025 were covered by the 2023 Core Agreement.

Information regarding circumstances where an employee would have been eligible but they were no longer employed under the 2023 Core Agreement at the *calculation date* is provided at question 3 below.

Additional criteria apply for casual employees, these are provided at question 8 below.

Visual aides to support understanding of eligibility criteria can be found at Appendix A.

3. What happens where an employee would have been eligible, but they were no longer employed under a predecessor agreement or arrangement, or the 2023 Core Agreement, at the calculation date for a relevant COLA year?

If an employee was employed under a *predecessor agreement or arrangement* (for *COLA year 1*) or the 2023 Core Agreement (for *COLA years 2 and 3*) during a relevant *COLA year*, but they are no longer employed under that agreement or arrangement at the *calculation date*, they will still be eligible to receive a COLA payment for the period worked under the agreement or arrangement provided they remain a *Queensland government employee* at that *calculation date*.

The term 'government employee' for the purposes of the COLA payment is not limited to government employees under Certified Agreements, and will include government employees engaged under other instruments (e.g. Senior Officers employed under the *Public Sector Act 2022* who have terms and conditions provided by a Public Sector Commission Directive).

Where this occurs, the employee is responsible for providing details confirming they remain employed as a *Queensland government employee* as at that *calculation date* to receive the payment. This is because the relevant payroll team will only have oversight of those employees who remain employed under the relevant agreement or arrangement as at the *calculation date* and will require evidence to show the employee was still a *Queensland government employee* on the *calculation date*.

The COLA payment for these employees will occur within 3 months following the provision of information confirming their status as a *Queensland government employee* on the calculation date, and a former employee of the entity under whose employment they are claiming the COLA

payment (refer to question 26 for further detail). Employees should be encouraged to do this as soon as possible to ensure they can be paid promptly.

The payment will be with reference to *base wages* earned under the *predecessor agreement or arrangement*, or the 2023 Core agreement, only. *Base wages* earned as a QPS employee and/or QFES employee within Disaster Management who will transition to the QPS consistent with the Functional Transition Agreement dated 15 June 2023, are excluded.

Example 1 - COLA year 1 (1 July 2022 – 30 June 2023): an employee works for 3 months (1 July 2022 – 30 September 2022) under the 2019 Core Agreement during *COLA year 1*, then takes up employment under a different Certified Agreement. They remain employed under the different Certified Agreement as at the *calculation date* for the 2023 Core Agreement (30 June 2023). Provided the employee provides the entity under whose employment they are claiming the COLA payment, the required notice and details of their current employer which confirms they are still a *Queensland government employee* as at the *calculation date*, they will be eligible for COLA payment year 1 (with reference to the 3 months worked under the 2019 Core Agreement).

Note, example 1 is also relevant to employees who moved to another Certified Agreement during *COLA year 1* as a result of Machinery of Government changes on 18 May 2023. For example, Queensland Shared Services and Corporate Administrative Agency employees will be eligible for a COLA payment year 1 for any work performed under the 2019 Core Agreement between 1 July 2022 and 17 May 2023 provided they remain a *Queensland government employee* as at the *calculation date* of 30 June 2023 and provide the required notice and details to the entity whose employment they are claiming the COLA payment.

Example 2 - COLA year 2 (1 July 2023 – 30 June 2024): an employee works for 3 months (1 October 2023 – 31 December 2023) under the 2023 Core Agreement during *COLA year 2*, then takes up employment under a different Certified Agreement. They remain employed under the different Certified Agreement as at the *calculation date* for the 2023 Core Agreement (30 June 2024). Provided the employee provides the entity under whose employment they are claiming the COLA payment, the required notice and details of their current employer which confirms they are still a *Queensland government employee* as at the *calculation date*, they will be eligible for COLA payment year 2 (with reference to the 3 months worked under the 2023 Core Agreement).

4. How is the COLA paid?

The COLA payment clause effectively provides a ‘top-up payment’ to eligible employees if the relevant annual Brisbane Consumer Price Index (CPI) figure is greater than the *wage increase under the Agreement*, for each of the three COLA years.

The ‘top-up payment’ is calculated as the difference between the *wage increase under the Agreement* and the CPI percentage, capped at 3 percentage points (3%) and applied to the individual employee’s *base wages* for the *COLA year*. Visual aides to support understanding of the COLA payment can be found at Appendices B and C.

5. What CPI figure is being used to determine the COLA payment?

The figure used for CPI is the Brisbane Consumer Price Index (all groups, March quarter annual percentage change from the March quarter of the previous year), for the March that falls within the relevant *COLA year*, as published by the Australian Bureau of Statistics. It is immaterial whether an employee’s work location is outside of Brisbane for the purposes of the COLA payment or CPI figure.

For reference, the ABS generally publishes this figure in April. Treasury will advise entities of the CPI relevant to COLA considerations upon its release in each year.

Example 1 - COLA year 1 (1 July 2022 – 30 June 2023): The *wage increase under the Agreement* is 4% on 1 July 2023. In April 2023, the ABS released the relevant CPI figure for March 2023 as 7.4%. The COLA payment is calculated as the difference between 4% and 7.4%, i.e. 3.4%. However, because the COLA payment is capped at 3%, the COLA percentage is 3%.

Example 2 - COLA year 2 (1 July 2023 – 30 June 2024): The *wage increase under the Agreement* is 4% on 1 July 2024. In approximately April 2024, the ABS releases the relevant CPI figure for March 2024. The COLA payment is calculated as the difference between 4% and the relevant CPI figure, capped at 3%.

Example 3 - COLA year 3 (1 July 2024 – 30 June 2025): The *wage increase under the Agreement* is 3% on 1 July 2025. In approximately April 2025, the ABS releases the relevant CPI figure for March 2025. The COLA payment is calculated as the difference between 3% and the relevant CPI figure, capped at 3%.

Note, the CPI date of March is separate to the *calculation date* and the payment date.

6. What forms part of base wages for the purposes of the COLA payment?

An employee's *base wages* for the purposes of calculating a COLA payment means the salary actually payable to the particular employee for the period they were employed under a *predecessor agreement or arrangement* (for COLA year 1) or the 2023 Core Agreement (for COLA years 2 and 3).

The COLA payment will be pro-rata based on things like part-time and casual employment, periods of leave on half-pay, leave without pay, and breaks in service.

Base wages for the purposes of the COLA payment will include:

- higher duties performed under a *predecessor agreement or arrangement* or the 2023 Core Agreement;
- all periods of paid leave under a *predecessor agreement or arrangement* or the 2023 Core Agreement;
- trainer/supervisor/coordinator classifications specified in the BEMS Award; and
- the casual loading for casual employees.

For the purposes of clarity, *base wages* will not include the following examples noting that this list is not exhaustive and should be read in such a way as to capture all allowances or additional payments howsoever described:

- disability allowances;
- special rates;
- all-purpose allowances;
- overtime payments;
- shift penalties;
- weekend penalties;
- public holiday penalties;
- aggregated penalties or allowances;
- any payments of accrued leave where the leave is not taken;
- any payments for Time Off in Lieu (TOIL) where the TOIL is not taken;
- TOIL payouts;
- AQF remuneration;
- general allowances (first aid, locality, motor vehicle, uniform);
- attraction and retention payments or allowances however titled;
- leave cash-outs (including recreation and long service);
- income protection payments;

- salary sacrifice refunds;
- overpayments;
- Professional Development allowances;
- rural and remote incentive allowances and/or payments;
- management allowances (including Clinical Managers Allowance and Medical Managers Allowance);
- allowances and payments associated with particular work and/or work patterns;
- leave loading;
- one-off payments including incentive payments;
- reimbursement of expenses;
- Commonwealth parental leave pay;
- make-up pay;
- study assistance and research scheme payments;
- COLA payments from previous periods; and
- above award payments.

Base wages earned as a QPS employee and/or QFES employee within Disaster Management who will transition to the QPS consistent with the Functional Transition Agreement dated 15 June 2023, are excluded.

7. Who is a Queensland government employee?

A *Queensland government employee* for the purposes of the COLA payment means a person employed in:

- a department or part of a department; or
- a public service office or part of a public service office; or
- an agency, authority, commission, corporation, instrumentality, office, or other entity, established under an Act or under State authorisation for a public or State purpose; or
- a part of an entity mentioned above; or
- another entity, or part of another entity, declared under a regulation to be a government entity; or
- a registry or other administrative office of a court of the State of any jurisdiction; or
- the Parliamentary service; or
- the Governor's official residence and its associated administrative unit; or
- the police service.

To remove any doubt a government employee does not include an employee in:

- Local Government; or
- a Government Owned Corporation unless a regulation declares it to be a government entity; or
- the Executive Council; or
- the Legislative Assembly; or
- a court of the State or any jurisdiction; or
- a school council or a university; or
- a co-operative under the Co-operatives National Law (Queensland) for primary producers that is not in receipt of moneys of, or financial assistance from the State; or
- a commercialised statutory entity; or
- another entity, or part of another entity, declared under a regulation not to be a government entity.

The COLA payment provision in agreements refers to a Government entity within the meaning of the repealed *Public Service Act 2008* (Qld) (PS Act) as in force at 1 October 2022. This is to fix and provide certainty about the list of entities that are included.

The term 'government employee' for the purposes of the COLA payment is not limited to government employees employed under Certified Agreements, and will include government employees engaged under other instruments (e.g. Senior Officers employed under the *Public Sector Act 2022*, Health Executive Service and Senior Health Service employees under the *Hospital and Health Boards Act 2011*).

Arrangements for part-time and casual employees

8. Are casual employees eligible for the COLA payment?

In addition to the other requirements outlined in questions 1, 2 and 3, casual employees are eligible employees provided they have performed work under a *predecessor agreement or arrangement* (for COLA year 1) or the 2023 Core Agreement (for COLA years 2 and 3), or as a *Queensland government employee*, within the 12-week payroll period immediately prior to the relevant *calculation date*.

The employee needs to have performed work during the 12 week period, not merely have been available to accept work.

Paid leave accessed by a casual employee (e.g. paid parental leave, long service leave) during the 12 week period will count as work performed.

Approved unpaid parental leave during the 12 week period will not exclude a casual employee who would otherwise be eligible for the COLA payment. It is important to be aware however that the unpaid nature of the leave will reduce the employee's *base wages* for the purposes of calculating the COLA payment.

If an employee does not perform any work during the 12 week period, or is not on an approved form of paid leave or approved unpaid parental leave during the period, they will not meet the eligibility requirements for a COLA payment.

9. What are the arrangements for employees working part-time?

The COLA payment is calculated with reference to an employee's *base wages* under a *predecessor agreement or arrangement* (for COLA year 1) or the 2023 Core Agreement (for COLA years 2 and 3) during the relevant *COLA year*. As a consequence, the COLA payment will reflect pro-rata *base wages* earned by part time employees over that year, including any increases or decreases to hours worked over that year.

10. What happens if an employee didn't actually work on the calculation date?

An eligible employee has to be employed under the under a *predecessor agreement or arrangement* (for COLA year 1) or the 2023 Core Agreement (for COLA years 2 and 3) on the relevant *calculation date*, or be employed as a *Queensland Government employee* on the relevant *calculation date*. Employees don't have to perform work on the relevant *calculation date* to be eligible to receive their COLA payment.

For example, if a part-time employee doesn't work on Mondays and the *calculation date* falls on a Monday, the employee will still receive the payment if they are employed a *predecessor agreement or arrangement* or the 2023 Core Agreement on that date.

If a full-time employee is on any type of approved leave (including approved leave without pay), they will automatically receive the payment, as long as the employee remains employed under a *predecessor agreement or arrangement* or the 2023 Core Agreement on the relevant *calculation date*.

A casual employee who is not rostered on a shift on the *calculation date* will receive the payment, provided the other eligibility requirements specific to casual employees are met on the *calculation date* (refer to question 8 for further detail).

11. How are employee movements between casual employment and other employment types (e.g. permanent, temporary) treated?

The COLA payment is calculated with reference to an employee's *base wages* under a *predecessor agreement or arrangement* (for COLA year 1) or the 2023 Core Agreement (for COLA years 2 and 3) during the relevant COLA year, which will reflect their pro-rata earnings as both a temporary and a casual employee, and any breaks in service, where they move between these employment types.

12. What are the arrangements for employees working concurrently (i.e. in one position under one agreement, and another position under another agreement)?

As the COLA payment will be determined based on the employee's *base wages* earned under a *predecessor agreement or arrangement* (for COLA year 1) or the 2023 Core Agreement (for COLA years 2 and 3) during the relevant COLA year, it will not consider wages earned under other agreements or arrangements.

However, if both agreements that the employee is working under provide for a COLA payment, the employee may be eligible for two COLA payments paid with reference to the earnings under each agreement in each of the relevant COLA/agreement years.

Example: An employee is employed on a part-time basis under the 2023 Core Agreement for COLA year 2 and is an *eligible employee*. The COLA payment year 2 will be with reference to the work performed under the 2023 Core Agreement.

The employee is also employed on a part-time basis under the *Department of Education Certified Agreement 2022* during this same period. Department of Education will determine if the employee is eligible for a COLA payment in accordance with the terms of the COLA clause in that Agreement.

13. What are the arrangements for employees in aggregate employment arrangements (i.e. in two positions under the same 2023 Core Agreement)?

Where an *eligible employee* has worked in two different positions under a *predecessor agreement or arrangement* (for COLA year 1) or the 2023 Core Agreement (for COLA years 2 and 3) during the course of the relevant COLA year, their COLA payments will be calculated with reference to their *base wages* in each position.

14. Is casual loading included as part of base wages?

To ensure equitable treatment of employees engaged on a casual basis, *base wages* for the purposes of calculating the COLA will include earnings attributable to casual loading.

Leave

15. Does all paid leave count towards the base wages?

All periods of paid leave will form part of *base wages* for the purposes of calculating the COLA payment unless otherwise excluded within the clause itself (refer to question 6 for further details).

16. Do leave loading payments count towards the base wages?

Leave loading payments are not considered *base wages* for the purposes of the COLA payment.

17. What are the arrangements for employees on leave without pay?

Where an employee is employed under a *predecessor agreement or arrangement* (for COLA year 1) or the 2023 Core Agreement (for COLA years 2 and 3) during the relevant COLA year, but is on leave without pay at the *calculation date*, they will remain eligible for a COLA payment. Additional requirements apply to casual employees, as outlined at question 8.

The COLA payment is calculated with reference to an eligible employee's *base wages* actually payable taking into consideration periods of approved paid and unpaid leave. Where an *eligible employee* has been on leave without pay this will reduce the *base wages* payable, and by extension the COLA payment because no wages were earned in this period.

18. What about payouts for additional time?

Payouts for additional time do not form part of *base wages* for the purposes of calculating an employee's COLA payment.

19. How would leave cash out payments paid in the relevant year affect the COLA payment?

Leave cash out payments, including the payout of recreation leave or long service leave, do not form part of an employee's *base wages* for the purposes of calculating an employee's COLA payment.

20. How would COLA be paid to an employee who is taking paid and unpaid parental leave?

The COLA payment is calculated with reference to an employee's *base wages* actually payable, taking into consideration periods of paid and unpaid leave, including periods of paid and unpaid parental leave. Where an employee has been on leave without pay this will reduce the *base wages* payable, and by extension the COLA payment because no wages were earned in this period.

Employee movements

21. What are the arrangements for an employee who moved between entities covered by the 2023 Core Agreement during the course of a COLA year?

In circumstances where an eligible employee moves between entities under a *predecessor agreement or arrangement* (for COLA year 1) or the 2023 Core Agreement (for COLA years 2 and 3) during the course of the relevant COLA year, they will remain eligible for a pro-rata COLA payment from each entity with reference to the *base wages* earned for the period in each entity. To facilitate these payments the employee is required to provide relevant details of their employment to each former entity.

Example – COLA year 1 (1 July 2022 – 30 June 2023): an employee works for 3 months (1 July 2022 – 30 September 2022) under the 2019 Core Agreement in the Department of Resources, then works for 9 months (1 October 2022 to 30 June 2023) under the 2019 Core Agreement in the Department of the Premier and Cabinet up to the *calculation date* (30 June 2023). The employee will be eligible for pro-rata COLA payments from each entity:

- a payment from Department of Resources (with reference to the *base wages* earned for the 3 months worked in the department and subject to the employee providing relevant details of their employment to the department); and
- a payment from the Department of the Premier and Cabinet (with reference to the *base wages* earned for the 9 months worked in the department).

22. Do Senior Officers and Senior Executive Service employees receive a COLA payment under the 2023 Core Agreement?

Senior Officers (SOs) and Senior Executive Service (SES) employees are not covered by the Core Agreement. However, they may be eligible to receive a COLA payment if they have previous employment under a *predecessor agreement or arrangement* (for COLA year 1), or the 2023 Core Agreement (for COLA years 2 and 3), prior to their employment as an SO or SES employee.

This is because if an employee was employed under a *predecessor agreement or arrangement* (for COLA year 1) or the 2023 Core Agreement (for COLA years 2 and 3) during the relevant COLA year, but they are no longer employed under that agreement or arrangement at the *calculation date*, they will still be eligible to receive a COLA payment for the period worked under that agreement or arrangement provided they remain a *Queensland government employee* (including as a SO or SES employee) at that *calculation date*.

Where this occurs, the employee is responsible for providing details confirming they remain employed as a *Queensland government employee* as at the *calculation date* to receive the payment.

Example: In COLA year 2, an employee performs work in an AO8 role under the 2023 Core Agreement for the first 6 months (1 July 2023 to 31 December 2023) and then is employed as an SO for the next 6 months (1 January 2024 to 30 June 2024). As they remain employed as a *Queensland Government employee* i.e. as an SO, as at the *calculation date* (30 June 2024) they will be eligible for a COLA payment year 2 (with reference to the 6 months of work performed in the AO8 role under the 2023 Core Agreement. The 6 months of work performed in the SO role does not count towards the COLA payment).

23. How are higher duties in an SO or SES role treated for the purposes of the COLA payment?

Only higher duties performed under a *predecessor agreement or arrangement* (for COLA year 1) or the 2023 Core Agreement (for COLA years 2 and 3), is included in *base wages* for the purposes of COLA payments.

As work performed in an SO or SES role (including under a higher duties arrangement) is not worked performed under a *predecessor agreement or arrangement* or the 2023 Core Agreement, it is excluded from *base wages*.

Example 1: In COLA year 2, an employee perform works in an AO8 role under the 2023 Core Agreement for the first 6 months (1 July 2023 to 31 December 2023) and then performs work in an SO role under a higher duties arrangement for the next 6 months (1 January 2024 to 30 June 2024). The employee will be eligible for a COLA payment year 2 and the payment will be with reference to the 6 months of work performed in the AO8 role under the 2023 Core Agreement. The 6 months of work performed in the SO role under a higher duties arrangement does not count towards the COLA payment.

Example 2: In COLA year 2, an employee performs work under the 2023 Core Agreement in an AO8 role for the first 3 months, then performs work in an SO role under a higher duties arrangement for the next 3 months, and then performs work in the AO8

role for the remaining 6 months. The employee will be eligible for a COLA payment year 2 and the payment will be with reference to the 9 months of work performed in the AO8 role under the 2023 Core Agreement. The 3 months of work performed in the SO role under the higher duties arrangement does not count towards the COLA payment.

24. Are higher duties considered as part of base wages?

Higher duties performed under a *predecessor agreement or arrangement* (for COLA year 1) or the 2023 Core Agreement (for COLA years 2 and 3) forms part of *base wages* for the purposes of calculating the COLA payment.

Note, work performed in an SO or SES role (including under a higher duties arrangement) is excluded from *base wages* (see question 23).

25. How do we treat terminated employees and rehired employees?

The determinative terms in considering an employee's eligibility are the definitions outlined in the COLA clause itself (including the terms: *calculation date* and *COLA year* and *Queensland Government employee*). Further, the COLA payment is calculated with reference to an employee's *base wages* actually payable, therefore it will take into consideration any breaks in service.

Example: In COLA year 2, an employee is employed under the 2023 Core Agreement for the first 4 months (1 July 2023 to 31 October 2023), then has a 4 month break in service (1 November 2023 – 28 February 2024), and then returns to employment under the 2023 Core Agreement for 4 months (1 March 2024 – 30 June 2024). As they remain employed under the 2023 Core Agreement as at the *calculation date* (30 June 2024), they will be eligible for a payment for COLA payment year 2 (with reference to the 8 months worked under the 2023 Core Agreement).

26. How do we treat employees who are not employed as a Queensland Government employee as at the calculation date for a COLA payment?

Employees who are not employed as a *Queensland Government employee* as at the *calculation date* will not be eligible for a COLA payment for any work completed within the relevant COLA year.

Example 1 – COLA year 1: An employee commenced employment on 1 November 2023. As they are not employed as a *Queensland Government employee* as at the *calculation date* (30 June 2023), they will not be eligible for a COLA payment year 1. However, they may be eligible for COLA payment year 2 if they meet the eligibility requirements.

Example 2 – COLA year 2: An employee is employed under the 2023 Core Agreement for 6 months (1 October 2023 – 31 March 2024) of COLA year 2 and then ceases employment with the Queensland Government. As they are not employed as a *Queensland Government employee* as at the *calculation date* (30 June 2024), they will not be eligible for a COLA payment year 2.

27. What information do people who are no longer employed under the predecessor agreement or arrangement, or 2023 Core Agreement, need to provide when they are notifying their former entity, they remain employed as a Queensland Government employee as at the relevant calculation date?

Entity payroll providers will provide details of the information required to claim a COLA payment where an employee has left the agreement. This will include but not be limited to: the employee ID number(s) used by the former employee when working under the agreement, the details of

their current Queensland Government employer and updated contact details and/or banking information as appropriate.

It is recommended that the employee be encouraged to provide notice as soon as possible to ensure payment can be made promptly.

28. Does an employee receive a COLA payment with respect to work performed on secondment under a different Certified Agreement?

Where an employee was employed under a *predecessor agreement or arrangement* (for COLA year 1) or the 2023 Core agreement (for COLA years 2 and 3) during the course of the relevant COLA year, but is on secondment under a different Certified Agreement on the relevant *calculation date*, they will receive a COLA payment with reference to the *base wages* payable under the agreement or arrangement.

Example: In COLA year 2, an employee worked under the 2023 Core Agreement from 1 December 2023 until 1 March 2024 and then went on secondment to the Department of Education under a different Certified Agreement. They will receive a COLA payment with reference to their *base wages* for the period 1 December 2023 until 1 March 2024 under the 2023 Core Agreement, subject to any notice requirements.

29. How does the COLA apply if a work arrangement is in place for an employee to perform duties for, but not in, an agency with a different agreement?

An employee's COLA payment will be calculated with reference to the *base wages* earned during the course of the relevant COLA year for the *predecessor agreement or arrangement* (for COLA year 1) or the 2023 Core Agreement (for COLA years 2 and 3) they were employed under on the *calculation date*.

Other payments

30. How would salary sacrifice arrangements be treated?

Base wages are the amount payable to the employee before tax and before any salary sacrifice arrangements or other distributions (where applicable) for the employee. Where an employee's take home (net) pay is reduced through salary sacrifice arrangements, this will not affect their *base wages* for the purposes of calculating the COLA payment.

31. What about employees receiving workers compensation payments (receiving a percentage of Normal Weekly earnings)?

Employees receiving workers' compensation payments will be eligible for a COLA payment calculated based on the percentage of their normal weekly earnings payable under legislation.

Example: Where an employee is receiving 85% of their Normal Weekly Earnings as defined under the *Workers Compensation and Rehabilitation Act 2003*, this amount payable will constitute their *base wages* for the purposes of COLA.

32. What about employees receiving income protection payments?

An employee's *base wages* reflect the periods they worked or were on paid leave during the agreement year and the earnings attributable to this work/employment entitlement. As such, income protection payments do not form part of *base wages* for the purposes of calculating the COLA payment.

Other issues

33. Is the COLA taxable?

Each COLA payment will be taxed according to the relevant law i.e. PAYG tax withholding will apply.

34. Is the COLA superannuable?

Each COLA payment will be taxed and superannuable according to the relevant law i.e. COLA payments will be considered Ordinary Time Earnings (OTE) but not superannuable salary.

35. Can employees have their COLA paid in instalments?

No, each COLA will be made as a one-off lump sum payment.

36. What are the arrangements for employees who would have been eligible to receive a COLA payment, but moved to a role outside of that agreement prior to its certification (providing they remain employed as a Queensland Government employee at the relevant calculation date)?

The determinative terms in considering this issue are the definitions outlined in the COLA clause itself (including the terms: *calculation date* and *COLA year* and *Queensland Government employee*).

It is acknowledged that circumstances may arise where an employee was employed under a *predecessor agreement or arrangement* and subsequently, they left their employment under that agreement or arrangement prior to certification of the 2023 Core Agreement.

The Government recognises the need to support employee mobility across the sector and has made a policy decision that such an employee would remain eligible for a COLA payment where they are a *Queensland Government employee* at the *calculation date* (regardless of the certification date). In such circumstances it is the responsibility of that employee to provide the required information to the relevant payroll.

In example 1 at Q3 (copied below), the employee ceased employment under the 2019 Core Agreement on 30 September 2022 prior to certification of the 2023 Core Agreement, however because of this policy decision and because the employee remains employed as a *Queensland Government employee* on the *calculation date*, they are eligible for COLA Payment year 1.

Question 3 Example 1 - COLA year 1 (1 July 2022 – 30 June 2023): an employee works for 3 months (1 July 2022 – 30 September 2022) under the 2019 Core Agreement during *COLA year 1*, then takes up employment under a different Certified Agreement. They remain employed under the different Certified Agreement as at the *calculation date* for the 2023 Core Agreement (30 June 2023). Provided the employee provides the entity under whose employment they are claiming the COLA payment, the required notice and details of their current employer which confirms they are still a *Queensland government employee* as at the *calculation date*, they will be eligible for COLA payment year 1 (with reference to the 3 months worked under the 2019 Core Agreement).

These unique arrangements for the COLA payment, provided in support of mobility across the sector, are distinct from the requirements outlined in the *Industrial Relations Act 2016* insofar as it relates to the application of terms and conditions of an industrial instrument.

37. What are the arrangements for employees who meet the eligibility requirements of the COLA clause, but cease employment following the calculation date for a COLA payment?

The determinative terms in considering this issue are the definitions outlined in the COLA clause itself (including the terms: *COLA year* and *calculation date*). The date of certification of the 2023 Core Agreement, and the date of payment, are not determinative factors for an employee's eligibility for a payment.

Example: An employee works under the 2019 Core Agreement during the period 1 July 2022 to 30 September 2023, then ceases employment under the Agreement. The employee meets the eligibility requirements for the *COLA year 1* payment as they performed worked under the 2019 Core Agreement during *COLA year 1* (1 July 2022 – 30 June 2023) and on the *calculation date* of 30 June 2023 were covered by the 2019 Core Agreement. It is for the entity in consultation with their payroll provider to determine the appropriate process for payment of the entitlement given the employee has ceased employment.

These unique arrangements for the COLA payment and are distinct from the requirements outlined in the *Industrial Relations Act 2016* insofar as it relates to the application of terms and conditions of an industrial instrument.

38. What happens where an employee makes a historical claim for a COLA payment?

As outlined above, employees who were employed under a *predecessor agreement or arrangement* (for *COLA year 1*) or the 2023 Core Agreement (for *COLA years 2* and *3*) during the relevant *COLA year* but where no longer employed under that agreement or arrangement at the *calculation date* will remain eligible for a COLA payment provided they were a *Queensland government employee* at that *calculation date*. Such an employee is responsible for providing appropriate notice that they remain employed as a *Queensland government employee* at that date (refer questions 3 and 26). Such employees should be encouraged to provide notice as soon as possible.

In the event that an employee makes a historical claim for a COLA payment, the agency's requirement to make this payment will be informed by statutory requirements. Where further advice is necessary, it is recommended that entities contact the Office of Industrial Relations as appropriate.

39. Why are the base wages not adjusted like the COLA clauses in other Certified Agreements?

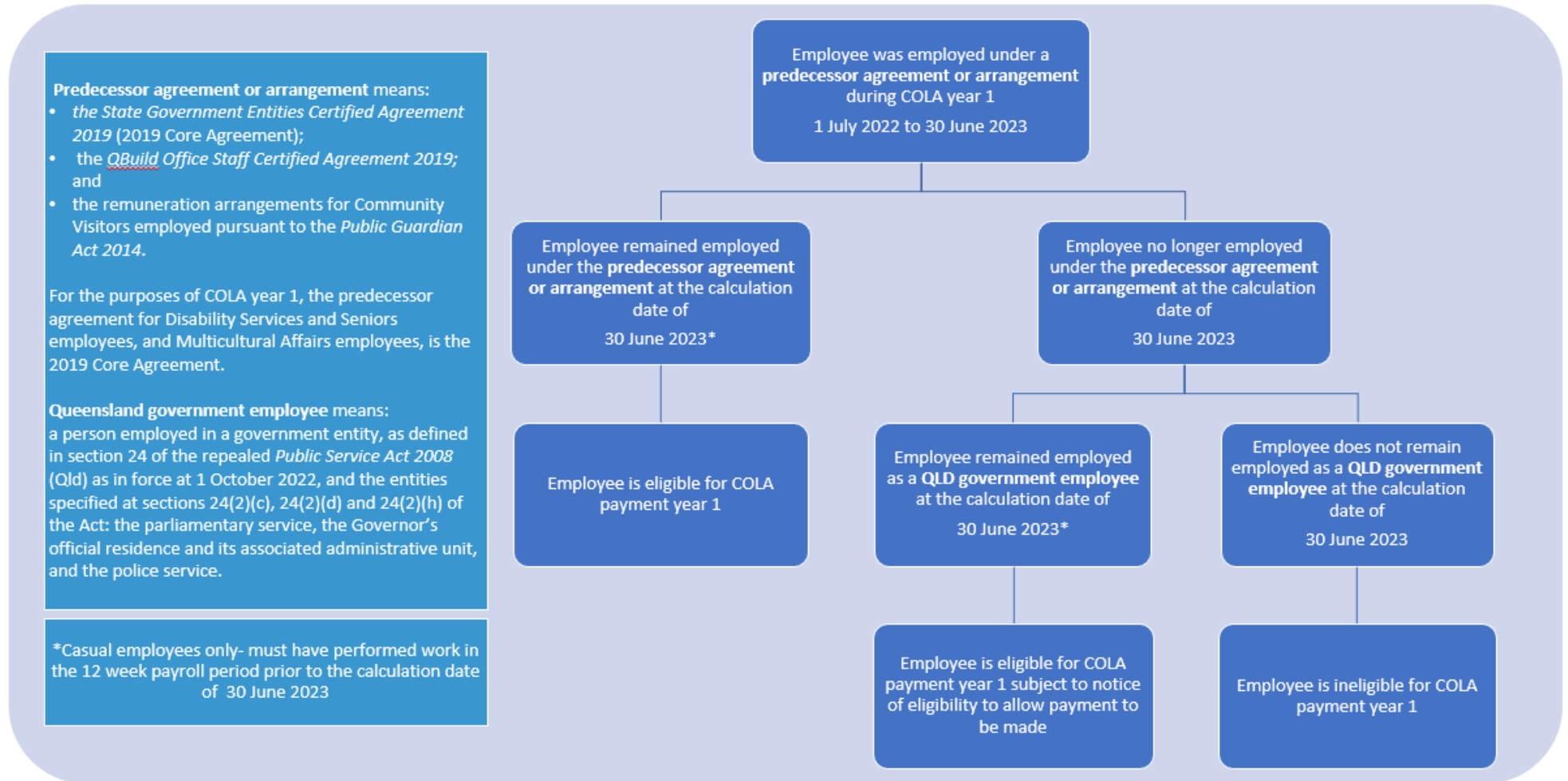
By virtue of the 2023 Core Agreement COLA payments, if triggered, being made at the beginning (rather than the end) of the agreement years, no adjustment to *base wages* is necessary. This is because the *base wages* for the respective *COLA years* do not include the *wage increase under the Agreement*.



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Appendix A: Employee eligibility

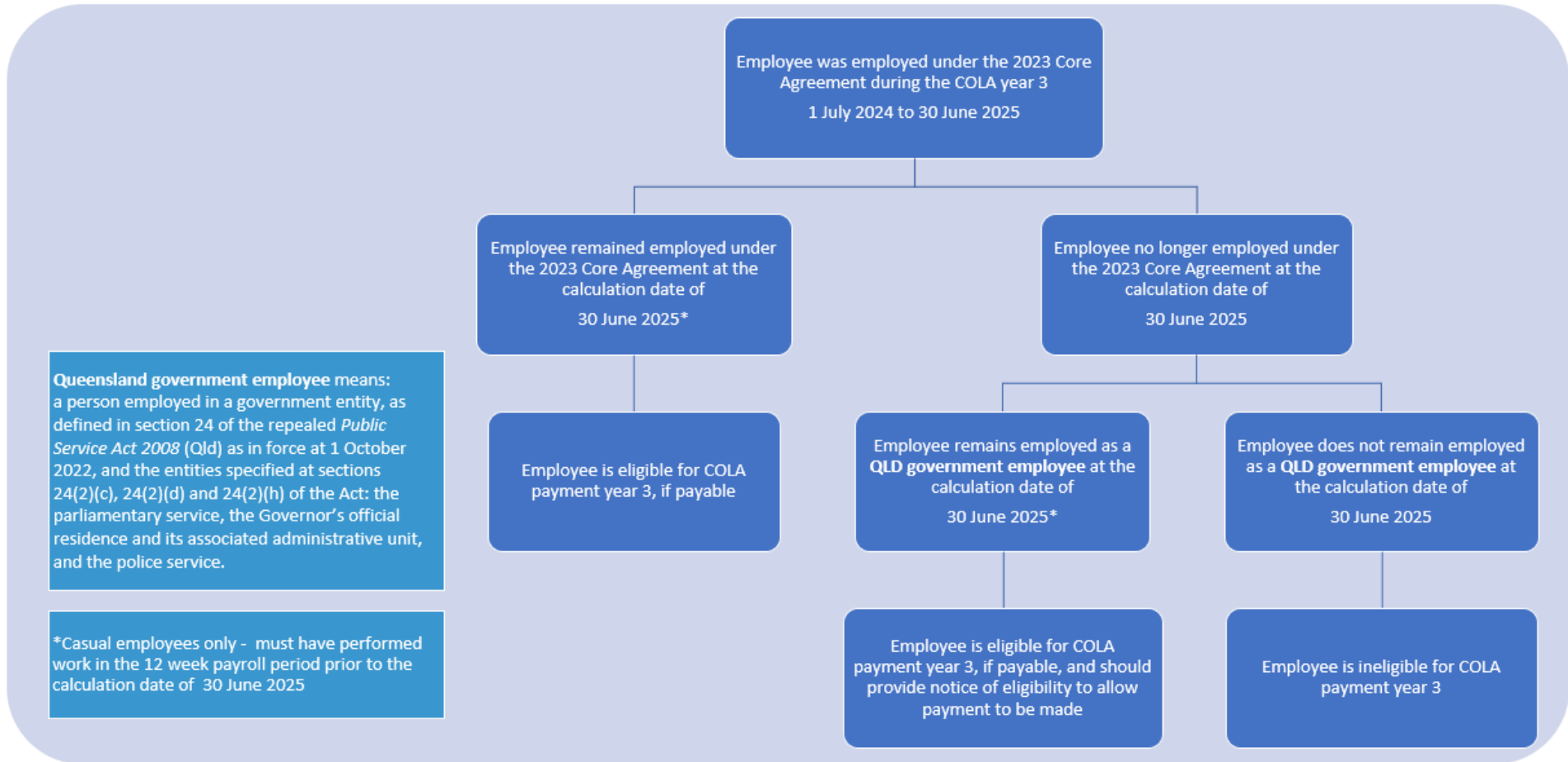
Employee eligibility – COLA Year 1



Employee eligibility – COLA Year 2

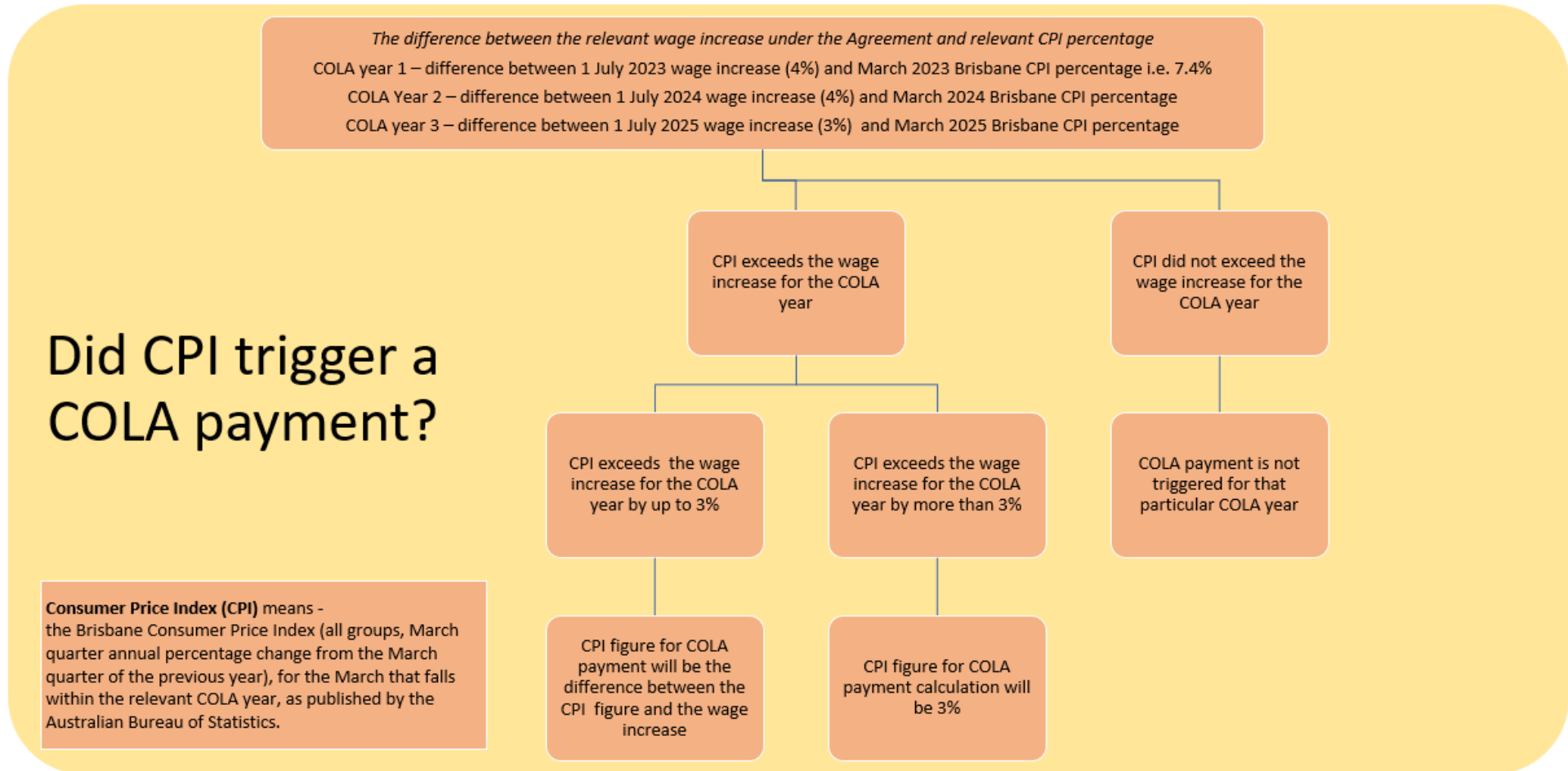


Employee eligibility – COLA Year 3



Appendix B:

COLA Percentage



Appendix C:

COLA Payment

COLA Percentage – COLA Year 1

3%

(the percentage difference between the wage increase under the Agreement of 4% and CPI of 7.4%, capped at 3%)



Base Wages – COLA Year 1

The salary actually payable to eligible employees during COLA year 1 for work covered by a *predecessor agreement or arrangement*

Includes higher duties and casual loading, *excludes* other allowances or additional payments howsoever described



Payment – COLA Year 1

Payment will be made to eligible employees within 3 months of certification of the 2023 Core Agreement, or the employee providing relevant notice following certification if they have moved entities

COLA Percentage – COLA Years 2 & 3

The percentage difference between the wage increase under the Agreement (4% for year 2, or 3% for year 3) and CPI for the relevant COLA year, capped at 3%



Base Wages – COLA Years 2 & 3

The salary actually payable to eligible employees during COLA years 2 and 3 for work covered by the 2023 Core Agreement

Includes higher duties and casual loading, *excludes* other allowances or additional payments howsoever described



Payment – COLA Years 2 & 3

Payment will be made to eligible employees within 3 months of the latter: calculation date and release of CPI, or the employee providing relevant notice if they have moved entities