



# Mike Baird MP

NSW Treasurer  
Minister for Industrial Relations

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## MEDIA RELEASE

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Tuesday 17 December 2013

### IRC DECISION ON PUBLIC SECTOR WAGES

NSW Treasurer and Minister for Industrial Relations Mike Baird today expressed his disappointment at the decision by the Industrial Relations Commission (IRC) to uphold a union application for superannuation to be paid above the NSW Government's 2.5 per cent cap on remuneration increases.

"Today's IRC decision fails to take into account the significant impact this will have on the State's finances and our ability to deliver services for NSW taxpayers," said Mr Baird.

Mr Baird said the NSW Government will appeal the decision. The Government will also apply to ensure that today's decision does not take effect prior to a final outcome on the matter.

"The NSW Government's Wages Policy has been clear from day one. It provides for annual increases in remuneration or other conditions of employment of 2.5 per cent.

"It is the same policy that NSW Labor introduced in 2007 - but failed to deliver - that explicitly defined superannuation as part of the 2.5 per cent annual increase in employee-related expenses.

"Public sector wages make up almost half the State Budget so it is critical that we continue to deliver wage increases that are both fair for employees and affordable for NSW.

"The modest weakening of the State's fiscal position as outlined in our Half-Yearly Review last week serves as a reminder of the importance of maintaining expense control. This remains crucial as we continue to face economic uncertainty, which was further highlighted in the Commonwealth Government's Mid-Year Economic update today.

"If the IRC's decision is left unchecked and superannuation increases are not absorbed in our existing wages policy, government expenditure would potentially increase by \$860 million over the forward estimates, and a similar amount annually, when the Superannuation Guarantee Contribution is fully implemented.

"This will add further pressure to our Budget, making it harder for the State to meet increasing needs in areas such as health, education, roads and transport. The reality is NSW would have to shed up to 8,000 public sector jobs to meet those costs.

"That is why the NSW Government will be appealing today's decision. We make no apologies for taking every effort to control spending, while ensuring fair and affordable wages are provided across the public sector," Mr Baird said.

**MEDIA: Rachael Storey 0467 741 310**