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Sent: Monday, 23 August 2021 4:57 PM
To: Chambers - Hatcher VP <Chambers.Hatcher.VP@fwc.gov.au>
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Subject: AM2018/9 - Application by IEUA (130N) - IEU Note re calculations re transition

Dear Associate,

Mr Taylor indicated this afternoon to the Full Bench that the IEU would provide the Commission and parties with a note re calculations indicating the differing impact of the consent approach compared to the AFEI proposal.

Please find attached the note in PDF form.

Regards,

Michael Wright

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**IN THE FAIR WORK COMMISSION
AT SYDNEY**

AM2018/9 – Application to Vary an Award – s.158

INDEPENDENT EDUCATION UNION OF AUSTRALIA
APPLICANT

IEU CALCULATIONS RE TRANSITION

1. The annexed table contains four tables modelling the impact of the AFEI's proposed transition and progression regime. The calculations are based on AFEI's proposed commencement date, and are intended to demonstrate the issue which arises from relying on years of service 'at level 2' rather than counting years of previous satisfactory service.
2. Tables 1 and 3 assume a 4-year qualified teacher with a commencement date of 1 July 2018. This teacher would, as at 1 July 2022, have achieved four completed years of teaching experience and two years (assuming normal progression) of experience post-proficient accreditation, and be classified as:
 - a. a level 7 under the current scale,
 - b. a level 2 under the IEU/ACA and AFEI scales.
3. Each of the Tables demonstrate that there will be years where the teacher will in that year be being paid less than they would have been paid if the classification and pay rates remained the same.
4. The Tables further quantify and compare the total sums paid over time, as summarised in the following paragraphs. It should be noted that the comparison is made against the current rates (that is, with no work value adjustment) and the adjusted rates. No future wage increase has been factored in.

5. Table 1 shows that the teacher would be, by 1 July 2025, \$537 worse off under the AFEI proposal than the *current* system, and \$12,028 worse off than under the IEU/ACA proposal. Table 3 shows that over 7 years, the teacher under the AFEI proposal will end up only \$531 (in total) better off than they would have been under the current system, as opposed to \$23,856 under the IEU/ACA proposal.
6. Tables 2 and 4 assume the same work experience but with a commencement date of 1 January 2018 (i.e. aligned with the normal school year). This teacher is, under the AFEI system:
 - a. by 1 January 2025, \$1285 worse off than the current system and \$8,870 worse off than under the IEU/ACA proposal; and
 - b. by 1 January 2029, only \$1483 (in total) better off than the current system, and \$11,567 worse off than the IEU/ACA proposal.

TABLE 1: Teacher 1 - 4 year qualified, commencement date 1 July, level 7 at 1 July 2022

Financial Year	Current grade	Current Salary	IEU Grade	IEU Salary	AFEI Grade	AFEI Salary	Years teaching post-accreditation at end year	Years at 'Level 2' at end year
22-23	7	\$64,180	2	\$66,712	2	\$66,712	3	1
23-24	8	\$66,212	3	\$72,625	2	\$66,712	4	2
24-25	9	\$70,279	3	\$72,825	2	\$66,710	5	3
TOTALS		\$200,671		\$212,162		\$200,134		

TABLE 2: Teacher 2 - 4 year qualified, commencement date 1 January, level 7 at 1 Jan 2022

Period	Current grade	Current Salary	IEU Grade	IEU Salary	AFEI Grade	AFEI Salary	Years teaching post-accreditation at period end	Years at 'Level 2' at end year
1 Jul 2022 - 30 Dec 2022	7	\$32,090	2	\$33,356	2	\$33,356	3	0.5
1 Jan 2023 - 30 Jun 2023	8	\$33,106	3	\$36,313	2	\$33,356	3.5	1
1 Jul 2023 - 30 Dec 2023	8	\$33,106	3	\$36,313	2	\$33,356	4	1.5
1 Jan 2024 - 30 Jun 2024	9	\$34,124	3	\$36,313	2	\$33,356	4.5	2
1 Jul 2024 - 30 Dec 2024	9	\$34,124	3	\$36,313	2	\$33,356	5	2.5
TOTALS		\$101,353		\$108,938		\$100,068		

TABLE 3 - Teacher 1 - 4 year qualified, commencement date 1 July, level 7 at 1 July 2022

Financial Year	Current grade	Current Salary	IEU Grade	IEU Salary	AFEI Grade	AFEI Salary	Years teaching post-accreditation at end year	Years at 'Level 2' at end year
22-23	7	\$64,180	2	\$66,712	2	\$66,712	3	1
23-24	8	\$66,212	3	\$72,625	2	\$66,712	4	2
24-25	9	\$70,279	3	\$72,825	2	\$66,710	5	3
25-26	10	\$72,314	3	\$72,625	3	\$72,625	6	4
26-27	11	\$74,344	4	\$78,539	3	\$72,625	7	5
27-28	12	\$74,344	4	\$78,539	3	\$72,625	8	6
28-29	12	\$74,344	4	\$78,539	4	\$78,539	9	7
TOTALS		\$496,017		\$520,404		\$496,548		

TABLE 4: Teacher 2 - 4 year qualified, commencement date 1 January, level 7 at 1 Jan 2022

Period	Current grade	Current Salary	IEU Grade	IEU Salary	AFEI Grade	AFEI Salary	Years teaching post-accreditation at period end	Years at 'Level 2' at end year
1 Jul 2022 - 30 Dec 2022	7	\$32,090	2	\$33,356	2	\$33,356	3	0.5
1 Jan 2023 - 30 Jun 2023	8	\$33,106	3	\$36,313	2	\$33,356	3.5	1
1 Jul 2023 - 30 Dec 2023	8	\$33,106	3	\$36,313	2	\$33,356	4	1.5
1 Jan 2024 - 30 Jun 2024	9	\$34,124	3	\$36,313	2	\$33,356	4.5	2
1 Jul 2024 - 30 Dec 2024	9	\$34,124	3	\$36,313	2	\$33,356	5	2.5
1 Jan 2025 - 30 Jun 2025	10	\$34,124	3	\$36,313	2	\$33,356	5.5	3
1 Jul 2025 - 30 Dec 2025	10	\$34,124	3	\$36,313	3	\$36,313	6	3.5
1 Jan 2026 - 30 Jun 2026	11	\$36,157	4	\$39,270	3	\$36,313	6.5	4
1 Jul 2026 - 30 Dec 2026	11	\$36,157	4	\$39,270	3	\$36,313	7	4.5
1 Jan 2027 - 30 Jun 2027	12	\$37,172	4	\$39,270	3	\$36,313	7.5	5
1 Jul 2027 - 30 Dec 2027	12	\$37,172	4	\$39,270	3	\$36,313	8	5.5
1 Jan 2028 - 30 Jun 2028	12	\$37,172	4	\$39,270	3	\$36,313	8.5	6
1 Jul 2028 - 30 Dec 2028	12	\$37,172	4	\$39,270	4	\$39,270	9	6.5
TOTALS		\$455,798		\$486,848		\$457,281		