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| Price index exceptional event arrangements |
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This document sets out the price index exceptional event arrangement for the Department of Families, Fairness and Housing, which provides a formal mechanism for peak bodies to seek price adjustments where industrial and regulatory decisions occur which result in cost increases that are over and above the price index.

The scope of this arrangement is as follows:

# Variation to the Modern Awards through the Annual Wage Review that exceed the index rate

There may be occasions where an adjustment to the Modern Awards through the Annual Wage Review, including the setting of minimum wage rates, exceeds the index rate for individual funded organisations.

**Where compliance costs for funded organisations to meet an adjustment to the Modern Awards through the Annual Wage Review exceed the indexed funding; a funding supplement may be provided subject to Government approval.**

# Arbitrated Enterprise Agreements (EA)

The index provides predictable funding increases to enable the sector to negotiate wage outcomes. Although negotiated enterprise agreements are the norm, there may be instances where Fair Work Australia arbitrates an outcome at a level higher than the index. The industrial process allows government to intervene as an interested party and outline funding parameters.

**Subject to Government approval, where sector EA outcomes exceed the index rate; and where government intervenes and supports the employer’s proposal in the industrial process, a funding supplement may be provided.**

# Award Changes

Modern Award changes such as award restructuring or realignment of industrial awards in line with movement in other industries will occur periodically. Generally, these types of movement are outside of the control of the Community Service Organisation sector and in some cases will be influenced by government intervention in the industrial process.

**Subject to Government approval, where award change outcomes exceed the index rate; and where government has intervened in the industrial process and supports the employer’s proposal, a funding supplement may be provided to funded organisations.**

# Legislative or government policy changes that impact on service costs

Legislative or government policy changes such as the Superannuation Guarantee rates and Workcover industry rates may impact on service costs for Community Service Organisations. Generally, these types of cost changes are outside of the control of the CSO sector and in some cases will be influenced by government intervention.

**Where sector wide increases to wage related costs such as Workcover premiums, Superannuation Guarantee levy, etc increase as a result of legislative or other statutory change, funding supplementation may be provided to funded organisations subject to Government approval.**

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