



17 DEC 2012

HON WILL HODGMAN MP
LEADER OF THE OPPOSITION

12 December 2012

Ref: SW11122012

Mr Tom Lynch
General Secretary
CPSU
GPO Box 54
Hobart TAS 7000

Dear Mr Lynch

Thank you for your letter of 28 November in relation to the Liberals' policy announced in our 2012-13 Alternative Budget, *The Roadmap to Recovery and Growth* to create a new Department of State Growth.

As per our briefing with you prior to the release of our policy, the new Department will be created by merging the current Department of Economic Development, Tourism and the Arts, with the Department of Infrastructure, Energy and Resources.

The Liberals' focus in government will be on aggressively attracting and increasing investment, creating jobs and growing our economy, focusing particularly on building our five pillar industries – agriculture and fisheries, resources, energy, education and technology and tourism.

Therefore, the merger of these two Departments into a new Department of State Growth, as well as creating efficiencies in removing duplication of backroom functions – as foreshadowed in *Future Directions 3: Delivering the Essential Business of Government* - is a logical step to oversee the main economic drivers of the State – infrastructure, energy, resources (including forestry and mining), economic development.

We envisage that some elements of DEDTA, including arts and sport grants, will be administered through DPAC, and as we have previously announced, a new restructured and refocussed stand-alone tourism entity will also be established, which will separate Tourism Tasmania from the bureaucracy.

Parliament House, Hobart Tas 7000
Phone: 03 6233 2634 Fax: 03 6233 2823
will.hodgman@parliament.tas.gov.au
www.willhodgman.com.au

In addition to the new Department of State Growth, a position and Office of Co-ordinator General will be established as a single point of contact for investors, to proactively pursue new business and investment to the State. This Office will be located with the Department of State Growth and incorporate the existing Tasmanian Development and Resources Authority, its Board and powers.

We believe there are synergies between the existing Department of Economic Development and the Department of Infrastructure, Energy and Resources, that will help to refocus on jobs and investment growth, and delivering essential services.

The Liberals understand that the essential business of government is to deliver public services – health, education, public safety to name a few. But we also recognise that without a growing economy and jobs, it will become increasingly difficult to provide the essential services Tasmanians deserve and expect. Therefore, a Liberal Government will be asking the State Service to help us to play a key leadership role in creating the right conditions to help business grow and create jobs.

Departmental mergers and amalgamation of corporate or backroom functions to remove duplication is a sensible solution to streamlining the public sector and making efficiencies. It is also, I understand, one of the solutions put to the Government by the CPSU.

Like you, we also support an approach that establishes a sustainable public sector into the long-term – one that delivers certainty of employment to our State Servants and provides them with confidence and security in their working life.

In relation to staffing impacts of our proposed Departmental merger, we have stated publicly since 2011 that we believed the public sector could be reduced by around 1700 jobs over a four-year period. We stated it was not appropriate to cut a large number of public sector jobs in a short time-frame and like you, feared this would have a flow-on negative impact on the economy. Both of us were right, and the State Government has now plunged the budget further into deficit in order to try to stimulate a lagging economy.

In accordance with our *Roadmap to Recovery and Growth*, we would envisage operational savings from the Departmental merger of approximately \$3 million a year. We have estimated the Department merger will see a reduction of approximately 90 FTEs from removal of duplicated functions (see P.23 of our Alternative Budget), and this will be achieved by inter-agency transfer to vacant positions, external placements, and targeted voluntary redundancies.

I am interested in receiving further information from your members about perceived issues arising from a development versus regulatory role, as I cannot foresee any conflicts that could not be mitigated by transparent processes.

Both myself and the Shadow Treasurer, Peter Gutwein MP, would be happy to talk with you further should you or your members have any remaining questions.

Should we win government at the next election, we want to work closely with public servants and unions to deliver positive outcomes for Tasmania and to implement our positive policy agenda and I look forward to our continued consultations.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Will Hodgman', written in a cursive style.

Will Hodgman MP
Leader of the Opposition