

Friday, October 24, 2014

Hon. Will Hodgman
L11 15 Murray Street
HOBART TAS 7000

Dear Premier,

I write on behalf of Tasmanian public sector unions.

On 25 September the Legislative Council adjourned debate on the *Crown Employees (Salaries) Bill 2014* providing around 4 weeks for your government and its employees, represented by their unions, to meet to negotiate savings equivalent to those that would have been delivered through the wage freeze contained in the Bill. The Treasurer repeatedly told Tasmanians the wage freeze proposal would save 500 jobs from being cut if implemented.

Since that time unions have written to you and your Treasurer asking to meet to progress such negotiations. You have both refused every invitation and have instead engaged in a propaganda campaign designed to undermine our efforts to develop a proposal to save those 500 jobs. You've described our efforts as 'childish' and 'puerile' and your Treasurer has kept moving the goal posts – first saying no offer would be considered, then saying we have one chance and then increasing the ask from 12 months to 18 months.

What's clear to Tasmanians is that your government intends to cut 1200 FTE jobs over the next few years – a complete breach of your promise in March that job losses would not exceed 500 FTE over the term of government. We're already seeing the impact of these job losses on services, impacts that will just worsen over the next 3 years as further cuts you've embedded in the forward estimates bite.

The focus of unions has been on developing a plan that saves at least 500 of these jobs, thereby protecting services. Without any cooperation from your government we've spent the past 4 weeks meeting with members and seeking their endorsement for a strategy, and I'm pleased to report all public sector unions who have live agreements in place support this strategy.

Savings 2014/15

Our members have authorised unions to apply to the Tasmanian Industrial Commission to amend all public sector Agreements that have wage increases falling before 1 July 2015 so those increases are delayed until 1 July 2015.

They've also authorised us to seek to vary public sector Awards with wage increases falling before 1 July 2015 so increases are delayed until 1 July 2015.

Our applications to amend the Agreements and vary the Awards will be contingent on a clause being inserted into each of those instruments committing the employer to limiting job losses this financial year to no more than the 361 FTE included in the budget.

These measures will save the budget exactly the same amount the *Crown Employees (Salaries) Bill*, with the amendments proffered by the Treasurer to the Legislative Council, would have saved in the 2014/15 financial year. The Treasurer told Tasmanians the Bill would save 500 jobs therefore the measures we propose will also save 500 jobs at least for this financial year.

We're at a loss to understand why your government would reject such an offer given it will mean jobs can be protected at least until mid-2015. There may be a political reason why you want to reject what your Treasurer has described as a 'self-initiated pay freeze' and cut additional jobs, but protecting jobs and services should be above playing political games.

Savings 2015/16

We acknowledge the proposal put forward leaves further work to be done in 2015/16 to achieve the budget outcome your government has set. If we'd been able to negotiate with you in recent weeks we may have been able to achieve savings beyond the 2014/15 financial year but you chose to close that door.

Despite this, unions are committed to working with your government, starting immediately, to identify savings in the 2015/16 budget that will continue to protect these 500 jobs. This process effectively gives us eight months to work with your Government to find the necessary savings. During meetings with members over the past 4 weeks many ideas were put forward that would save money in 2015/16. We are confident savings equivalent to those that would've been delivered through the *Crown Employees (Salaries) Bill* in 2015/16 can be identified if proper negotiations are allowed to occur.

Savings in future years

It's time the wasteful boom/bust cycle of public sector employment/cuts ends. Tasmania must have a public sector of a size that's capable of delivering the services the community demands yet is financially sustainable. Such a public sector won't be achieved through the disorganised approach being taken by your government, an approach you criticised from the opposition benches when the previous government tried it.

Public sector unions and our members are ready, willing and able to be part of a process that reforms our public sector for the challenges it will face over the next 20 years. The process will require a genuine conversation with the Tasmanian people about the services they want and need, where and how those services should be available and how as a community we'll pay for them. The process must include detailed workforce planning that will ensure that as huge numbers of public sector workers retire over the next 5 years we have the skills and knowledge in the sector to continue to provide vital services.

This approach will ensure we can determine the right size for our public sector and, if implemented over a sufficient number of financial years, will avoid the need for expensive redundancies or other financial incentives for those leaving the sector. Implementing this plan will deliver savings across the 2 final years of the forward estimates and in the years beyond.

The generosity of our members to offer the government an effective freeze on wages for this financial year removes the need to sack 500 workers over the next 6 months. Their willingness to work constructively with the government to identify savings for 2015/16 gives us all the time we need to consult with the whole community and develop a long term plan. Their offer to be part of a root and branch review of the sector means we can end the boom/bust cycle and ensure we end up with the service Tasmanians want and can afford.

This is a comprehensive plan that delivers short, medium and long term outcomes. I ask you as Premier of this state to give it genuine consideration.

Yours sincerely,

Tom Lynch

General Secretary

CPSU (SPSFT) Inc.

for and on behalf of Unions listed in Table.

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Table of Awards to be varied and Agreements to be amended

Instrument	Parties
Allied Health Professionals (Tasmanian State Service) Agreement 2014	CPSU, HACSU
AWU Public Sector Unions Wages Agreement 2013	AWU
Correctional Officers Agreement	CPSU, UV
Education Facility Attendant Salaries & Conditions of Employment Industrial Agreement 2013	UV
Health and Human Services (Tasmanian State Service) Award	CPSU, HACSU
Ministerial Drivers Industrial Agreement 2014	CPSU, TWU
Port Arthur Historic Site Management Authority Staff Agreement 2014	CPSU
Public Sector Unions Wages Agreement 2013	APESMA, AEU, ASU, CPSU, HACSU, UV
Public Sector Unions Wages Agreement 2013 Extension	ANMF
Radiation Therapists (State Service) Union Agreement 2013	CPSU, HACSU
Tasmanian State Service Award	APESMA, AEU, AMWU, CEPU, CPSU, CFMEU, HACSU, TWU, UV
TasTafe Teaching Staff Industrial Agreement 2014	AEU
Teaching Service Salaries and Conditions of Employment Agreement 2014	AEU
Department of Infrastructure, Energy and Resources (DIER) Engineers Industrial Agreement 2014	APESMA