

*United Workers Union Submission to the Review
of the Tasmanian State Service*

9 October 2020



About the United Workers Union

The United Workers Union (UWU) is a powerful new union with 150,000 workers across the country from more than 45 industries and all walks of life, standing together to make a difference. Our work reaches millions of people every single day of their lives – we feed you, educate you, provide care for you, keep your communities safe and get you the goods you need. Without us, everything stops. Our public sector members across Australia provide quality services to the community every day. UWU represents a wide range of public sector workers across Australia, with our coverage varying across states. We represent teacher aides, paramedics, cleaners and health care technicians. In Tasmania, we represent education facility attendants and corrections officers. Our education facility attendant members keep schools clean and COVID-19 safe for students, and our corrections officer members keep the prison system working. We are proud of the work we do.

Introduction

UWU previously made a submission to the Tasmanian Government's draft Terms of Reference for the Review of the Tasmanian State Service in November 2019. We now make this submission on behalf of our members. UWU has concerns that the review is being rushed without adequate consultation with affected workers. UWU also has concerns that the review will be used as a vehicle for privatisation and outsourcing, at a time when greater investment is needed for public services, not less. UWU opposes privatisation, outsourcing and contracting out of public services. The COVID-19 pandemic, whilst not over yet, has demonstrated the essential work that public sector workers such as education facility attendants and corrections officers do every single day at work, and their commitment to keeping the public safe. The Tasmanian Government should be using this time period to recognise essential public sector workers by ensuring their work is secure and well-paid, not worrying them by putting privatisation on the agenda.

COVID-19 has had a sudden and enormous impact on jobs in Tasmania. What Tasmania needs now is public sector investment, not privatisation. UWU urges the Tasmanian Government to invest in the public sector, and to invest in good quality and secure public sector jobs. Investment in the public sector will increase jobs, stimulate the economy, and create a better Tasmania for all Tasmanians.

The scope of the review and lack of consultation

The Tasmanian Government has failed to justify why a review of the state service is required. The Government has not yet undertaken research to determine what the Tasmanian community needs from its public services. Instead, the review is being pursued on the presumption that change is needed and the current framework is not fit for purpose, when there is no evidence that this is the case. The terms of reference for the review are vague and broad, making it difficult for interested parties to engage effectively with the review.

According to the review timetable, the first report to the Premier and Treasurer is due to be delivered in October 2020. UWU is of the view that this timeframe is unacceptable. The review could result in significant changes in the working conditions of public sector workers, but the Tasmanian Government has failed to adequately consult with workers and unions. It is also unfair for unions to only be provided with a short amount of time to consult with our members about the future of the Tasmanian State Service before the submissions are due. The short timeframe for feedback on the initial report appears to be a way of shutting out any discussion or genuine feedback about what the review is aiming to achieve.

A number of public sector unions, including UWU, wrote to the Premier in September 2020, and put the position that: *“Dr Watt abandons the proposal to produce an interim report on October 2020 and begins a genuine process of consultation that includes as many Tasmanian voices as possible. Given his isolation in Victoria, the demands on state service employees still responding to the COVID pandemic and the expectation large numbers of public sector workers will need to take leave over the December/January to reduce accruals that have increased*

during the pandemic it may not be possible to finalise a report by March 2021.” This remains our position.

Tasmania is still recovering from the COVID-19 pandemic, and a vibrant public sector is an essential part of this recovery. Our members in the public sector are still focused on ensuring the community and their worksites stay COVID-safe. UWU delegate John Webb says “*COVID-19 is creating worldwide uncertainty. Why is the government fast tracking the Tasmanian State Service review that will create more pressure on Tasmania’s essential workers?*” Many of our members share John’s concerns. Undertaking the review now is premature. The Tasmanian Government should wait for the pandemic to conclude before undertaking a review of the public sector. A review following the pandemic could fully take into account the critical work of public sector workers in keeping Tasmania safe.

Terms of Reference

Despite our concerns about the review outlined above, it is crucial that the voices of UWU members are heard and taken into account. Therefore, we provide a response to selected terms of reference on behalf of our members:

Identifying ways to promote collaboration and partnerships including to support more flexible movement of employees between the private, non-government and public sectors

Achieving greater economies and efficiencies in TSS administration, including opportunities to streamline bureaucracy and services where suitable

Examining the effectiveness and efficiency of government services, including the appropriateness and feasibility of further decentralisation

The focus within the terms of reference on ‘*efficiency*’ and ‘*flexible movement of employees between the private, non-government and public sectors*’ suggests that privatisation is part of the review agenda. UWU strongly opposes any privatisation, outsourcing or contracting of the

Tasmanian public sector. When politicians outsource what belongs to us, we end up paying for something that is less reliable, less accountable and less transparent than it was before. When politicians hand control to private corporations, those corporations run our services to extract the most profit possible. They do that by charging us more, providing us with less, and treating the people who work there badly. When we own services, it benefits us all, and we are in charge. That is what we expect in a good society. Tasmanians want services that put their wellbeing before corporate profit.

UWU opposes privatisation, outsourcing and contracting out for the following reasons:

- ***Privatisation reduces public accountability and oversight***

When essential services are privatised, citizens lose the capacity to scrutinise the way the service is run and how much it costs, because arrangements become subjective to ‘commercial in confidence’ contracts.¹

- ***Privatisation is associated with reduced job quality and less reliable services***

Privatisation exerts downward pressure on job quality, as private providers are incentivised to increase workloads, lower staffing levels, and reduce wages conditions and training in order to increase profits. When public sector workers move to the private sector, transparency around pay decreases. Contracts have poor mechanisms for regulating labour standards, and many scholars have found that contracting-out results in degraded labour standards.²

- ***Privatisation of essential services damages democracy***

If people can’t get access to the goods and services they need to survive, if they are hungry or homeless or sick, they can’t be full participants in society and lead dignified lives. Public services allow those resources to be offered cheap or free, funded by progressive taxation, and managed by publicly accountable institutions. They allow people to get what they need, not just what they can afford.

There is nothing inevitable about privatisation, and increasingly countries are opting to return services to public hands. Insourcing can be cheaper, and can also increase the morale and productivity of the workforce.³ Recent examples of insourcing in Australia include the

insourcing of school cleaners in the A.C.T and the insourcing of key hospital functions at the Fiona Stanley hospital in Western Australia.⁴ In 2019, two Queensland prisons - the Arthur Gorrie Correctional Centre and Southern Queensland Correctional Centre – were also insourced because the state Crime and Corruption Commission found that the number of assaults on staff was higher at privately run facilities, due to lower staff numbers.⁵

Instead of outsourcing more services now and then having to insource later, UWU urges the Tasmanian Government to keep public sector services in public hands, so that public sector workers can continue to provide high quality services to all Tasmanians. This is especially important given the hard work of public sector workers during the COVID-19 pandemic.

The COVID-19 pandemic, whilst not over yet, has demonstrated yet again what UWU members already knew: public sector workers like education facility attendants and corrections officers are essential workers. Most education facility attendants and corrections officers in Tasmania have been working throughout the height of the pandemic. Their work hasn't stopped during the crisis and they can't work from home. The COVID-19 crisis really has shown that public sector workers are a crucial part of Australia's economy and society. They always were and now more than ever, it is time to value them, not to privatise or outsource their jobs.

Our corrections officer members in prisons have been working hard to keep prisons safe from COVID-19. This is critical to public safety as people in prison are at great risk of harm and even death should they contract COVID-19.⁶ Almost one-third of people entering prison have a chronic medical condition like asthma, cancer, cardiovascular disease, diabetes or live with disability.⁷ Our members at Tasmania's reception prisons have been committed to following COVID-safe procedures and have gone above and beyond to ensure that the likelihood of COVID-19 entering Tasmania's prison system is low. So far, there has been no spread of COVID-19 in Tasmania's prisons. Similarly, our education facility attendant members have been working hard to clean and maintain schools so that students can attend school safely.

Outsourcing corrections officer and education facility attendant roles would be a disservice to the workers who have worked hard to keep the Tasmanian public safe through the pandemic. Privatisation in both prisons and cleaning is notoriously bad for workers and the community.

Studies into private prisons have traced back a number of major incidents to efforts at cost reduction through understaffing, lower pay and reduced training provision.⁸ Examples include:

- Understaffing at Acacia prison in WA (run by Serco) was found to represent a potential safety issue for staff and prisoners.⁹ Staff were initially hired who had no custodial experience at remuneration levels well below the public sector.¹⁰
- Understaffing at Arthur Gorrie prison in Qld (run by GEO) has been associated with persistent duty of care issues. ¹¹ In 1998, a corrections officer successful sued GEO (then ACM) for negligence which lead to his PTSD, which were found to be a consequence of the company's deficient monitoring and accountability processes, and exacerbated by staff cost reductions.¹²

In May 2020, UWU undertook a survey of 500 private sector cleaners. This survey revealed that 77 per cent of cleaners were worried about losing their job and 80 per cent were worried that they would lose hours. Cleaners need time to do a good job, with better equipment, good wages, and secure jobs. In the private sector, cleaners don't have the time to do the quality cleaning they want to do, to ensure the best outcomes for public health and safety for everyone. Cleaners should not have to put their safety and that of our children on the line because they are being made to rush essential cleaning.¹³ We can and must stop the increasing insecurity of work.

The COVID-19 pandemic has highlighted that the private sector cannot always be trusted to deliver services at the level that the public expects. In Victoria, the use of private security firms to monitor hotel quarantine has put workers and the Victorian public at risk. Security guards have given evidence during the inquiry into hotel quarantine that agencies which contracted security guards did not provide guards with additional PPE or COVID-19 infection control training, and that workers were required to use a single pair of masks and gloves for an entire shift, due to a shortage.¹⁴ Several security guards caught COVID-19 through their work due to the failure of security agencies to follow protocol, and then it spread to the broader Victorian public. The ABC reports that the hotel quarantine outbreaks were responsible for more than 99 per cent of Victoria's second wave.¹⁵ Governments regularly assume that contracted companies will uphold government values but situations like this show that is not the case.

Government can only truly guarantee high quality services to the community by providing services in-house. The Tasmanian Government needs to assure the public that all work needed to be performed in government services is done so by directly employed workers.

Attracting, developing and retaining a skilled public sector workforce with the capacity to meet emerging economic, social, environmental and technological opportunities and challenges

The issues our members experience in the public sector are largely a result of a lack of funding. To attract, develop and retain a skilled public sector workforce, the Tasmanian Government must invest in the workforce, and invest in providing a safe environment for workers. Given the short timeframe provided for this submission, UWU has not had a chance yet to finalise consultations with our members. However, we have highlighted some of the initial issues that our members have raised with us. Public sector investment will also help stimulate the economy, which is crucial for the Tasmanian economy as it recovers from the shock of COVID-19.

In the Tasmanian Prison Service (TPS), additional funding and internal changes are required urgently to allow the service to plan recruitment needs, provide support for injured workers and workers from diverse backgrounds. Currently, our members report that recruitment is only done to replace resignations. Recruitment does not factor in workers who are sick leave and on workers' compensation. This results in significant overtime costs for the service. More importantly, this results in correctional officers experiencing downward spirals in their mental and physical health. UWU member Philip Pregnell says: *"TPS is a reactive agency that doesn't provide any proactive workforce management strategies to ensure the ongoing staffing levels required to efficiently and safely deliver services to an ever increasing and complex prison population."* Similarly, another UWU member says what they need is *"Enough staff to do the job and maintain a safe work space. And support and training from our employer."* There is a serious lack of support for officers with post-traumatic stress disorder (PTSD) and related injuries within TPS. Our members tell us that officers can end up injured with no contact from the employer and no mental support. Critically, integration back into the workforce is fraught

with stress for officers, and regularly results in officers not returning to work. Some officers become trapped in the workers' compensation system. We are aware that this has led to some officers contemplating suicide due to the complete lack of support from their employer. Additional funding is needed to ensure that the prison service can be staffed adequately at all times, without officers having to work excessive overtime. Funding is also urgently needed to ensure that workers who develop mental health conditions such as PTSD are provided with all the support they need, both during their time off work and in their return to the workplace. TPS is also behind other jurisdictions when it comes to supporting and including workers from diverse backgrounds, and changes should be made to improve this. UWU member Elliot Hayter says: *"As a CO identifying with the minority community and witnessing more diverse staff being employed at TPS, it was disappointing to have no proactive governance on diversity from the agency and state service. It was disappointing to see the TSS had a diversity policy of only 2 paragraphs. We are not even comparable to progress being made in other states. Our well-being is being left behind. I have been working with the union to try and improve diversity and inclusion policies at the TPS."* TPS should commit to working with workers and the union to proactively support and include workers from diverse backgrounds.

In the Department of Education, structural changes are required to ensure the Department communicates properly with workers and to ensure employees experiencing bullying and harassment are supported within Human Resources (HR). Communication during the height of the COVID-19 pandemic to frontline workers such as education facility attendants was almost non-existent. Clear direction was not disseminated to those who needed it most. Structurally, when Learning Services was introduced, an additional layer was added to the dispute resolution process within HR. Previously, UWU used to deal directly with Workplace Relations on member issues. Now UWU has to deal with Learning Services instead, and Learning Services has been staffed with a significant number of former School Business Managers (SBMs). Learning Services staff have repeatedly demonstrated bias in favour of SBMs and against education facility attendants. A number of UWU members have not received a fair response to their complaints from Learning Services. This is leading to employees not reporting bullying and harassment as they fear repercussions. Structural changes to HR are required to ensure workers coming forward with bullying and harassment complaints are properly supported. As

noted earlier, UWU intends to continue the consultation process with members. There are likely to be other matters our members wish to raise once we have had an opportunity to properly consult.

During this recovery period, UWU urges the Tasmanian Government to invest in the public sector to stimulate the economy and create jobs. In the current recessionary environment, state governments may be tempted to privatise public services in order to reduce operating costs. However, research has shown that that popular rhetoric around the cost-efficiency of the private sector is overblown, with public and private operators demonstrating similar overall cost structures.¹⁶

Further, government expenditures (and cuts) are large-scale and have significant multiplier effects (i.e., a reduction of 10% to government demand will lead to more than 10% reduction in aggregate demand (GDP). Privatisation of state services and/or the sale of public assets may therefore curtail the ability of governments to stimulate demand during an economic downturn. Over the long-term, privatisation and other efforts to cut public spending are likely to harm social outcomes while simultaneously increasing the overall public debt burden. In contrast, almost all fiscal expenditures on public wages will flow directly back into the economy through consumer spending. Through direct and knock-on effects, public wages will keep Tasmanians employed at every step along the way, multiplying their impact as they go. Tasmania will earn this expenditure back through stronger economic growth and ongoing taxation of earners and businesses. The A.C.T government's 'Jobs for Canberrans' scheme is a good example of investment in the public sector to promote economy recovery. The Jobs for Canberrans Fund was established in April 2020 to provide employment opportunities for people in the casual or semi-skilled workforce who lost their jobs or have been significantly impacted due to COVID-19.¹⁷ The Fund has created over 500 new roles, including 325 temporary COVID-19 cleaning roles. The majority of these jobs were filled by migrant workers on visas that were not entitled to Job Seeker payment. This program has provided an income for workers who would otherwise miss out, and would have contributed to maintaining consumer spending in the A.C.T.


Finally, with rates on government borrowing currently near zero, it would be irresponsible for governments not to borrow in order to stimulate demand and capitalise new productive capacity. This is especially true in an environment in which inflation is below the long-term government target; as prices begin to rise, the real cost of debt will erode over time. In this sense, privatisation of public services and assets represents a dangerous form of fiscal myopia and should be vigorously resisted. Rather, the Tasmanian Government should use this time as an opportunity to invest in and grow the public sector.

Conclusion

The public sector exists to serve the community. It is a core role of Government to invest in and provide services for the community. UWU urges the Government to reconsider undertaking the review now, whilst we are still in the middle of a pandemic. We also urge the Government to reject all forms of privatisation. UWU members such as education facility attendants and corrections officers, who have worked hard to keep the community safe throughout the COVID-19 pandemic, deserve a guarantee of secure, well-paid jobs, not uncertainty about the future. We further urge the Government to assist the Tasmanian economy to recover from the COVID-19 crisis by investing in and growing the public sector, an action that will benefit all of Tasmania.

For more information on this submission, please contact Public Sector Coordinator Paul Blackmore at [REDACTED]

Regards,



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¹ Jacobs, K. (2009) 'Beyond Commercial in Confidence: Accounting for Power Privatisation in Victoria', *Accounting, Auditing and Accountability Journal*, vol. 2(8): 1258-1283.

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- ² Fraser, L. 1997. Impact of Contracting-out on Female NESB Workers: Case Study of the NSW Government Cleaning Service. Sydney: Research and Statistics Branch, Department of Immigration and Multicultural Affairs; Underhill, E. & Fernando, H. 1998. Deregulating precarious employment in Victoria: Trends in employee complaints. *Labour & Industry*, 8 (3), pp.43-61; Johnstone, R., Mayhew, C. & Quinlan, M. 2001. Outsourcing Risk? The regulation of occupational health and safety where subcontractors are employed. *Comparative Labor Law and Policy Journal*, 22 (3), pp.351-394; Walsh, J. 2004. Dirty Schools, Forgotten Cleaners: The Injuries of Victoria's Failed Experiment in Contract School Cleaning, Liquor Hospitality and Miscellaneous Union; Ryan, S. & Herod, A. 2006. Restructuring the architecture of state regulation in the Australian and Aotearoa/New Zealand cleaning industries and the growth of precarious employment. *Antipode*, 38 (3), pp.486-507.; Campbell, I. & Peeters, M. 2008. Low pay, compressed schedules and high work intensity: A study of contract cleaners in Australia. *Australian Journal of Labour Economics*, 11 (1), pp.27-46.
- ³ Bard, K. & Helle, K. (2013) 'How Insourcing Rather Than Outsourcing Gave Substantial Savings and Improvements', Ernst and Young, *Performance*, vol. 5(3): 20 – 23.
- ⁴ <https://www.incleanmag.com.au/canberra-school-cleaning-to-be-moved-in-house/>
<https://www.unitedworkers.org.au/wa-hospital-workers-win-fight-against-privatisation/>
- ⁵ <https://www.abc.net.au/news/2019-03-26/queensland-private-prisons-to-be-run-by-state-government/10938192>
- ⁶ <https://www.hrlc.org.au/prisons-and-covid19>
- ⁷ As above.
- ⁸ *Jarvis v Australasian Correctional Management Pty. Ltd March 1998.*
- ⁹ Andrew, J. (2011) 'Accounting and the Construction of the "Cost effective" Prison', *Journal of Australian Political Economy*, vol 68: 194.
- ¹⁰ Andrew, J. (2011) 'Accounting and the Construction of the "Cost effective" Prison', *Journal of Australian Political Economy*, vol 68: 194.
- ¹¹ https://sydney.edu.au/business/_data/assets/pdf_file/0008/269972/Prison_Privatisation_in_Australia-The_State_of_the_Nation_June_2016.pdf pg 18
- ¹² <http://www.austlii.edu.au/au/journals/MurUEJL/1998/10.html>
- ¹³ https://thenewdaily.com.au/news/2020/05/22/coronavirus-cleaning-schools/?fbclid=IwAR20Byp_TPAPXb0CINwCIXd8X-X0z2WoYZH5oFIWptZuI5JfcfJIMxRZBOK
- ¹⁴ <https://www.accr.org.au/news/hotel-quarantine-inquiry-appalling-testimony-profits-ahead-of-safety-yet-again/>
- ¹⁵ <https://www.abc.net.au/news/2020-09-19/victoria-coronavirus-hotel-quarantine-a-quagmire-no-answers/12678624>
- ¹⁶ McKell Institute. (2014). 'Risky Business' The Pitfalls and Missteps of Hospital Privatisation. Sydney: McKell Institute.
- ¹⁷ <https://www.covid19.act.gov.au/business-and-work/jobs-for-canberrans>