



Budget Submission

Tasmanian Government Budget 2024-25

Per Jessica Munday, Secretary
Unions Tasmania
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1. Introduction

- 1.1. In late August 2023, the Tasmanian Government called for submissions in the 2024-25 Tasmanian Budget Community Consultation process. Unions Tasmania is pleased to make this submission outlining Budget priorities and recommendations on behalf of working Tasmanians.
- 1.2. Unions Tasmania has a long and proud history of advocating for working people in Tasmania. Initially established as the Trades and Labor Council of Hobart in 1883, and now operating as Unions Tasmania, there is no other Tasmanian peak body dedicated to giving a voice to working people. For 140 years, Unions Tasmania has been advocating for the improvement of wages, conditions, safety and living standards for working Tasmanians and their families.
- 1.3. Unions Tasmania represents our affiliate unions who comprise approximately 50,000 members across our state. We represent workers across industry, in the private and public sector, in workplaces large and small. Unions Tasmania is also the local branch of the Australian Council of Trade Unions (ACTU).
- 1.4. Our submission will focus what we know best – wages, conditions, workplace safety, and how building a workforce with well paid, secure jobs is better for our community and our economy.
- 1.5. We note that a number of our affiliates, including the Australian Education Union (AEU) and the Australian Nursing and Midwifery Federation (ANMF) have made detailed submissions as they relate to their sector. We support their submissions and the recommendations contained within them.

2. A Cost-of-Living Crisis

- 2.1. The cost-of-living crisis Tasmanians are facing should not need emphasising to policy makers and politicians.
- 2.2. It's tough to afford to live in Tasmania right now. It's been this way for years and getting worse. It is having a compounding effect on vulnerable Tasmanians, workers, and their families. We see weekly – sometimes daily – local media coverage that detail Tasmanian's struggles to access and afford housing, healthcare, and basic essentials such as food, fuel, and power.

- 2.3. Foodbank Tasmania gave heartbreaking evidence to a recent Senate Inquiry where they characterised 28% of Tasmanians as moderately to severely food insecure, meaning people were either reducing the quality of their meals, skipping meals or going entire days without food. They estimated there was a shortfall of 10.5 million meals in Tasmania annually and attributed the rising cost of living as the primary reason for people experiencing food insecurity.ⁱ
- 2.4. We broadly support targeted cost of living relief measures that are within the State Government's remit to fund, including power bill relief or caps, but we note that often missing from the cost-of-living debate is a focus on lifting wages. After all, it is always going to be tough to make ends meet if you're not paid enough.
- 2.5. Tasmanians remain the lowest-paid workers in Australia. On average, full-time weekly earnings for Tasmanian workers come in at \$1619.30. That is \$218.80 less per week than the Australian average weekly wage of \$1838.60ⁱⁱ. When compared to the highest paying jurisdictions of Western Australia and the ACT (whose average weekly earnings are \$2039.30 and 42022.90 respectively) the gap widens to a staggering \$400+ a week less.
- 2.6. This gap between Tasmanian and mainland wages is only growing. In 2022, the gap between the average full time weekly Tasmanian wage and the Australian wage was \$201 per week.ⁱⁱⁱ
- 2.7. Almost one in three Tasmanians are in some form of insecure work (casual, gig economy, or contract). Contrary to assumptions that casual workers receive extra pay to offset their lack of access to other benefits and entitlements that secure work brings, there is abundant research, including that of The Australia Institute, that median wages and weekly earnings are lower for casual workers than for those with job security.^{iv}
- 2.8. In Tasmania, we also see lower median hourly earnings for labour-hire workers than other states^v. Despite this, Tasmania has no scheme for regulating the conduct of labour hire companies. Licencing and regulation systems have been implemented in Queensland, the ACT, Victoria, South Australia, and Western Australia. The Tasmanian State Government should also move in this direction.
- 2.9. Every dollar a work earns should go into their pocket. Not only is this a legal right, but ensuring workers are paid what they're owed would also help them meet cost of living challenges. Yet the McKell Institute's research points to 23,833 workers missing out on approximately \$14.56 million in stolen wages every year in Tasmania.^{vi}

- 2.10. Unions Tasmania continues to advocate for the development of wage theft legislation and criminalising serious and deliberate wage theft. We note the Tasmanian Government has showed zero appetite in ensuring wage theft is prevented and stopped. There are no shortage of Tasmanian examples where workers have been ripped off significant amounts from our university^{vii} to aged care^{viii} to hospitality^{ix}. Eliminating this practice from our workplace landscape should be a priority for business and workers, as employers undercutting each other on wage costs creates an uneven playing field for business, outside of the real-world implications for workers.
- 2.11. We commend the Federal Government for moving to legislate wage theft at the national level through their Closing the Loopholes legislation. We will continue to monitor legislative progress in this area and make representations to the Tasmanian Government on change required in our jurisdiction as required.
- 2.12. Unions Tasmania notes that while wage theft occurs across industries and sectors, it is more commonly experienced by vulnerable workers particularly those in insecure work, migrant workers, and young workers. These workers need practical targeted education and assistance from the trade union movement to ensure they are equipped with the right skills and knowledge to lower the risk of exploitation at work.
- 2.13. Unions Tasmania has had it reflected to us that Tasmanian workers trade off higher wages for the benefit of cheaper living in our State. Some have called it the 'lifestyle penalty' or the 'Tassie tax'. Despite the obvious fact that you don't obtain a better lifestyle by being paid less, the reality for Tasmanians is that if it was once cheaper to live here, those days are long gone.
- 2.14. The idea of a cheaper Tasmanian lifestyle is extinct. Rising inflation has hit Tasmanians hard. Interest rate rises have put pressure on renters and homeowners alike. While the most recent inflation data from the Australian Bureau of Statistics to October 2023 shows national inflation moderating downwards at 4.9%^x, the past eighteen months has seen inflation move between eight and six percent with Tasmanian inflation repeatedly topping the nation over the past decade.
- 2.15. Our comparatively low pay to the rest of the nation is holding workers and our economy back. The community expects and needs wages to be no different here than the mainland. There will be no cost-of-living relief without decent wage rises.

2.16. Tasmanians' lower wages and high levels of insecure work should be of significant concern for the Government. Lifting the wages of Tasmanian workers and improving their job security should be a key Government priority and they should use all available levers in furtherance of that objective.

2.17. Unions Tasmania recommends that the Tasmanian Government:

- 2.17.1. Builds specific consideration of outcomes such as income and job security for Tasmanian workers into its economic development planning.
- 2.17.2. Provide funding of \$300,000 for Unions Tasmania to establish a Worker Support Centre to assist workers with particular vulnerabilities, such as young workers, migrant workers, and casual workers, to understand and enforce their workplace rights.
- 2.17.3. Consult with unions on the development of a licencing scheme for labour-hire companies.
- 2.17.4. Funds and conducts an ethical supply chain audit of all state procurement, to identify where obligations to workers are not being met, including but not limited to wage theft, and uses this to inform future government policy.

3. Public sector pay parity with the mainland

3.1. Over the past 18 months, there has been no shortage of industrial action by Tasmania's hard working public servants. Across education, health, child safety, and a range of public sector occupations, Tasmanian workers have been demanding wages and conditions that will attract and retain workers in the Tasmanian State Service (TSS) to help them meet the community demand for essential services.

3.2. The national unemployment rate is historically low at 3.7%.^{xi} There is a race for talent around the country. Workers will not want to come to Tasmania, nor will they want to stay, if they can obtain better working conditions, higher salaries, and job satisfaction elsewhere. This is a loss our community cannot afford to bear.

3.3. Some interstate jurisdictions have recognised they need to work harder to attract staff and are offering generous incentives for employees in their state or territory or encouraging professions to move to their jurisdiction. These include, but are not limited to:

- The Queensland Government's Workforce Attraction Incentive Transfer Scheme^{xii} offers interstate nurses a \$20,000 payment if they move to work for Queensland Health.
- This same scheme also rewards doctors who elect to work in a regional or remote area with payments of up to \$70,000 should they chose to work in one of 2400 communities for at least 12 months.
- From this year, future nurses and midwives in Victoria undertaking an undergraduate degree can do so for free provided they join the public health service and work for two years post-completion^{xiii}.
- There are also incentives for former nurses and midwives to update their qualifications for free and re-enter the health workforce.
- Victorian students enrolling in a secondary school teaching degree in 2024 or 2025 are eligible for a scholarship to cover their HELP fees.

3.4. We note that all public sector unions throughout the previous 12 months have voiced support for increased attraction and retention efforts from the Government, including the ANMF in their budget submission this year.

3.5. Recent analysis of Australian Bureau of Statistics wage data over the past decade by health policy expert, Martyn Goddard, shows that Tasmanian state government employees are paid the lowest in the country. He attributes this to the wage suppression policies of the state government (wage caps were in place for almost 7 years until public sector unions forced the Government to break its wages cap in 2019) and the failure of wages to keep pace with inflation.

3.6. The AEU's budget submission warns that Tasmania's most experienced teachers will likely soon be the lowest paid in the country as jurisdictions like Queensland, New South Wales, and the ACT all significantly boost the salaries beyond those offered here. The AEU not alone in identifying a cohort of professionals without our state service who could get a much better deal if they went to work elsewhere in Australia.

3.7. Unions Tasmania also notes that failing to attract and retain permanent employees into the State Service leads to a reliance on agency staff, overtime, and locum doctors, for example, which costs the budget exponentially more than it would if adequate permanent staff were engaged.

3.8. There are too many workers who provide labour to the State Service though their employer is an outsourced provider. One concrete way that the State Government could support workers into secure employment is to return the jobs of cleaners and security personnel to the State Service.

3.9. Lifting the pay of public sector workers won't just benefit them. Public sector wage rises send a powerful signal to the private sector on government wage expectations. Many Tasmanian employers use pay outcomes achieved in the State Service to guide offers to their own workers, regardless of whether or not they can afford to share more of the profit. Raising the wages of public sector workers will have a benefit across the whole of the Tasmanian workforce.

3.10. With respect to the public sector, Unions Tasmania recommends that the Tasmanian Government:

- 3.10.1. Create competitive incentive schemes, co-designed with public sector unions, that seeks to both attract and retain workers in the Tasmanian State Service.
- 3.10.2. In consultation with unions, develop pay structures that ensure State Service workers are paid comparable rates with mainland counterparts.
- 3.10.3. End the cruel practice of standing down support staff, such as teacher assistants and education support personnel, in our public schools and ensure they are paid a full salary for 52 weeks of the year.
- 3.10.4. Return TasTAFE to the state system, recognising the move to the national system has been a failure for workers and students.
- 3.10.5. Prioritise budget investment to address the public sector workload, resourcing and pay issues that unions consistently raise with the Tasmanian Government. This investment should be made in the direct employment of public service workers, with no outsourcing or privatisation.
- 3.10.6. Insource all cleaning and security services that are delivered to the State Service via outsourced providers.

4. Local Government

4.1. This past year has been a difficult one for workers in local government who have watched as their futures have become front page news in what appears to be a political dispute around the future of local government.

4.2. The union representing local government workers, the Australian Services Union (ASU), has worked to ensure that their members voices are heard through a process that has generally sought to limit the opportunity for workers themselves to provide genuine input.

- 4.3. Workers have consistently raised concerns that the Local Government Review identifies skills shortages, wage disparity between councils, and related employment issues but is silent on how Council amalgamations would actually fix those problems.
- 4.4. We note that forced amalgamations were ruled out by the Government in July this year but that the recent Local Government Review report released in November has proposed a significantly reduced number of Councils, creating ongoing uncertainty for the over 3,000 workers that currently work across Tasmania's local government sector.
- 4.5. Local government jobs are the heart of our communities. In regional and rural communities, these jobs are critical to a municipality's ongoing viability. They provide diverse job roles and pathways for work that would not exist otherwise. Councils provides jobs in areas like early childhood education, sport facilities, and postal services when other levels of Government have exited the market. Local government workers should be supported by the State Government to continue their vital work.

4.6. Unions Tasmania recommends that the Tasmanian Government:

- 5.5.1 Rule out centralised services in addition to not forcing amalgamations as a principle of any future change.
- 5.5.2 Ensure the views of workers and their representatives are genuinely sought and considered in any change proposals with a bona fide opportunity to influence final decisions.
- 5.5.3 Commit to implementing a Fair Jobs Code, in consultation with the ASU, that sets the standards and objectives for employment in local government with a focus on secure, well paid jobs.

5. Women

- 5.1. Unions Tasmania's recommendations from our 2023-24 budget submission remain largely unchanged as the State Government have not acted on those we made the previous year. Unions Tasmania recognises that to make real progress towards gender equality across our community and in our economy requires system wide change and action across all levels of government, but that change won't occur without leadership including from the Tasmania Government.
- 5.2. Women working in the State Service continue to face an ad-hoc, reactive, complaints-based process that puts the onus on individual workers to fix

gendered violence and discrimination that they experience at work when what is required is a proactive, preventative model where employers have a positive duty to take reasonable and proportionate measures to eliminate gendered violence at work.

- 5.3. New regulations for psychosocial hazards, which includes sexual harassment, sex-based harassment, and discrimination, came into effect in Tasmania in December 2022. Despite these regulations making it clear that employers must treat psychosocial hazards the same as physical hazards, public sector unions report there has been little to no consultation with them on updating and reforming much needed methods of addressing these hazards in the State Service.
- 5.4. Workers at a Federal level now have access to the Fair Work Commission who can issue stop bullying and stop sexual harassment orders. The Tasmanian Industrial Commission has no such power.
- 5.5. Unions are still not invited into inductions for ministerial or parliamentary staff even though the Motion for Respect report highlights the disadvantage that workers face if they are not aware of their rights at work or how to enforce them. Unions are critical to ensuring workers have a confidential access point for specialist advice on their workplace rights and conditions.
- 5.6. The State Government should lead on transparency around women's pay, gender pay gaps, setting targets for gender equity, and public reporting on progress.
- 5.7. Unions Tasmania's knowledge, experience and standing as a trusted advocate for women should be leveraged to establish a Working Women's Centre in Tasmania. Unions Tasmania is uniquely placed to provide this support because of its comprehensive knowledge of the workplace challenges faced by women workers, successful track record in delivering effective worker support with the COVID-19 Worker Helpline, and the extensive body of expertise it draws on through its affiliated unions across the State, and national networks including the Australian Council of Trade Unions.
- 5.8. Unions Tasmania already runs existing training programs for women union members, delegates, and health and safety representatives. However, it is clear that further education, advice, and support in the form of a dedicated Working Women's Centre is required, and the natural organisation to deliver this is Unions Tasmania.

5.9. A Tasmanian Gender Equality Act and Commissioner will make a powerful, practical impact in our State. The *Preventing sexual harassment & promoting gender equality in Tasmanian workplaces* report (Unions Tasmania, 2021) advocates for the creation of a Tasmanian Gender Equality Act and Commissioner. This would harness the Tasmanian Government's substantial employment and procurement reach to drive positive change in our State. A similar Act and Commissioner have been established in Victoria and provide a useful model for our State, as set out in our report.

5.10. Unions Tasmania recommends that the Tasmanian Government:

- 5.10.1. Introduces legislative change in consultation with Tasmanian unions and other relevant stakeholders, to create a positive duty to prevent sexual harassment at a state level.
- 5.10.2. Include union representatives in all parliamentary and ministerial workplace inductions.
- 5.10.3. Set targets for gender equity in the public sector and publicly reports on progress every year.
- 5.10.4. Appropriately resource education, in consultation with public sector unions, to uplift knowledge around psychosocial hazard reporting and regulation in the State Service.
- 5.10.5. Legislate for a Tasmanian Gender Equality Act and Commissioner.
- 5.10.6. Allocate funding of \$250,000 for the establishment of a Working Women's Centre within Unions Tasmania.

6. Work Health and Safety (WHS)

6.1. In the last financial year, 7,729 Tasmanian workers claimed workers compensation for an injury or illness related to their job.^{xiv} Tragically, we understand there have been three work related fatalities in Tasmania this calendar year. Every worker deserves to come home safely. Every death at work is preventable.

6.2. Unions know that the number of workers compensation claims or fatalities don't tell us the complete picture of how unsafe our workplaces truly are. They do not include for example suicides of first responders or diseases that eventually took a worker's life because of the job they did.

6.3. It is beyond shameful that Tasmania has not moved to implement industrial manslaughter laws. On the 30th of November 2023, South Australia became the sixth jurisdiction to pass industrial manslaughter laws. New South Wales

and the Commonwealth have announced their intention to draft legislation for their jurisdiction. This leaves Tasmania as an outlier.

6.4. For all the employers doing the right thing, industrial manslaughter laws will not change how they operate. These laws are, however, a necessary deterrent to those employers who may risk the safety of workers for productivity or profit margins.

6.5. There is no time to wait. Tasmanian workers deserve the same safety protections as mainland workers.

6.6. It is equally important that WorkSafe Tasmania employs enough inspectors to enforce safety laws across the state. Unions Tasmania remains of the view that there are too few inspectors to adequately cover Tasmanian workplaces. The WorkSafe Inspectorate were under-resourced before Tasmania started experiencing a rise in mental health injuries and a growing number of workers contracting silicosis from deadly engineered stone. These additional safety risks point to an even greater need for additional resourcing.

6.7. Attracting more inspectors, however, will be limited while their salaries remain uncompetitive. Unions Tasmania receives consistent feedback that to attract the right people, with industry experience, will require a remuneration review and an increase in the salary rates for inspectors. We would support this move as our affiliated unions raise regular concerns that WorkSafe Tasmania has lost critical industry specialisation vital to ensuring safety on the ground, particularly in areas of high-risk work.

6.8. Unions Tasmania recommends that the Tasmanian Government:

6.8.1. Increases the staffing of WorkSafe Tasmania, to increase the number of inspectors overall, as well as to ensure that inspectors with industry-specific expertise are in place.

6.8.2. Consults with the Community and Public Sector Unions (CPSU-SPSFT) on a review of the pay structure within WorkSafe Tasmania and allocates appropriate funding to increase remuneration.

6.8.3. Introduces industrial manslaughter legislation and appropriately resources its implementation.

7. Climate Change and Economic Transition

- 7.1. The impacts of a changing climate are already being experienced by Tasmanian workers and their families. All of us are impacted by the planet becoming less habitable and safe with more frequent disasters and extreme heat. Working people are at the front lines of the climate crisis – from firefighters, first responders, health care workers, emergency services, electricians, and workers whose jobs are wrecked by a climate worsened by drought, fire, and flood.
- 7.2. Unions Tasmania laments that the climate change discourse often seeks to pit workers and those who want action on climate change against each other. This appears to be cynical politics employed by those whose only care for workers is weaponising a debate for their own political advantage. There does not have to be a fight between jobs and climate action. We can and must have both.
- 7.3. Unions Tasmania continues to advocate for a tripartite government-union-business transition authority at the state level, to manage change and plan for the jobs of the future.
- 7.4. We need long-term career planning for a publicly owned renewable energy future. We need to do more, particularly in new local manufacturing jobs to build renewable energy components, new industrial processes for making green hydrogen, and green steel. We can and should focus on ensuring those jobs that come with new and developing industry are good, secure jobs that allow workers to build a good life in Tasmania, while also delivering positive benefits for the environment.
- 7.5. Targeted research is needed to develop an understanding of climate impacts as experienced by workers across Tasmania, to inform climate and energy policy. This research should be worker centred and establish an evidence base for policy making that prioritises the creation of safe, well-paid, and secure Tasmanian jobs.

7.6. Unions Tasmania recommends that the Tasmanian Government:

- 7.6.1. Allocate funds (\$50,000) for a targeted research project to establish climate impacts on Tasmanian workers and the needs of Tasmanian workers, to form an evidence base for policy making about renewables, climate, and future industries. This research should be coordinated by Unions Tasmania.
- 7.6.2. Reviews the *Climate Change (State Action) Act 2008* and commits to a tripartite planning process, with a transition

authority comprising the Tasmanian Government, Unions Tasmania and employer representatives. This process should be focussed on:

- Transforming Tasmania into a global renewable energy powerhouse, with a jobs and industry plan to make it work for Tasmanians.
- Delivering affordable electricity to serve the Tasmanian community; and
- Growing the Tasmanian economy and creating secure, well-paid jobs.

7.6.3. Establishes and resources a program of conditional co-investment in strategic industry sectors, that involves strong consultation with workers and the community, and that seeks to maximise social, environmental, and other long-term benefits to Tasmanians.

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- ⁱ Matt Maloney, 10 July 2023. <https://www.examiner.com.au/story/8264263/desperate-lengths-to-access-simple-food-staples-ai-red-at-inquiry/>
- ⁱⁱ Australian Bureau of Statistics (2023, May). Average weekly earnings, Australia. Retrieved from ABS: <https://www.abs.gov.au/statistics/labour/earnings-and-working-conditions/average-weekly-earnings-australia/latest-release>
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- ^v Unions Tasmania and Australian Council of Trade Unions (2021). Spotlight on Job Insecurity and Wages: Tasmania. Retrieved from: https://www.unionstas.com.au/media/2znbn0uy/spotlightjobinsecurityandwages_tas.pdf
- ^{vi} The McKell Institute, *Unfinished Business: the Ongoing Battle Against Wage Theft*, pg. 44 – 45, August 2023. Retrieved from: <https://mckellinstitute.org.au/wp-content/uploads/2023/08/McKell%E2%80%94Unfinished-Business-2023.pdf>
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- ^{viii} Adam Holmes, "Aged care provider Southern Cross Care Tasmania underpaid employees for seven years to the tune of \$6.9m" (8 September 2023). Retrieved from: <https://www.abc.net.au/news/2023-09-08/tas-southern-cross-care-underpaid-staff-almost-7m/102831236>
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- ^x Australian Bureau of Statistics (2023, October). Monthly Consumer Price Index Indicator. Retrieved from: <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/monthly-consumer-price-index-indicator/latest-release>
- ^{xi} Australian Bureau of Statistics (2023, October). Labour Force Australia, latest release. Retrieved from: <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release>
- ^{xii} Queensland Health, Health Employment Directive No. 02/23. Retrieved from: https://www.health.qld.gov.au/_data/assets/pdf_file/0026/1247615/hed-0223.pdf
- ^{xiii} Victoria State Government, Department of Health, 'Study nursing and midwifery free from 2023' <https://www.health.vic.gov.au/news/studying-nursing-and-midwifery-free-from-2023>
- ^{xiv} WorkCover Tasmania Board Annual Report 2022 – 2023, pg. October 2023.