




Speech by

Hon. Glen Elmes

MEMBER FOR NOOSA

Hansard Thursday, 23 August 2012

PUBLIC SERVICE AND OTHER LEGISLATION AMENDMENT BILL

 **Hon. GW ELMES** (Noosa—LNP) (Minister for Aboriginal and Torres Strait Islander and Multicultural Affairs and Minister Assisting the Premier) (4.21 pm): I rise this afternoon to speak in support of the bill. The Newman government's vision is for a renewed, refocused and more efficient Public Service—focused on the core and essential services that the people of Queensland need and deserve. Unfortunately, there are some tough decisions that a government has to make to achieve this and to restore the state's finances to a sustainable level. None of these decisions is being taken lightly. We wish that there was an easier path to take, but there simply is not.

Much has been said in recent weeks about the government's plan to deliver a more efficient and effective Public Service. Unfortunately, not all of what has been said has been with the aim of furthering the debate. Unions and the opposition have intentionally tried to confuse the public about two separate processes currently underway across the Queensland Public Service. The government has been as upfront as possible about the restructure of the Public Service, which is necessary because of the neglect of the previous government over two decades. The Commission of Audit interim report showed that Queensland had more public servants than the state's population can justify. We are not reshaping the Public Service because we want to; we are doing it because we have to. We are trying to redress years of neglect and unrestrained bureaucratic growth.

That should not be confused with the second process, which is a three-yearly round of enterprise bargaining processes which are currently underway with various public sector unions, and I will come back to that a bit later. Unfortunately, some vested interests have chosen to intentionally confuse the two. The result of this misinformation has been unnecessary concern and confusion among the public about exactly what the government is doing. The worst of it is that people are being told by union leaders and opposition members that front-line services like teachers, police, fire and ambulance officers are to going to be cut.

Ms Palaszczuk: You changed the definition. You just changed the definition. When did you change the directive? When did you change it? You changed it.

Mr ELMES: The government has repeatedly stated its commitment to maintaining front-line services and that any staff reductions would be at back-of-house, administrative and corporate support functions. In relation to those comments made by the Leader of the Opposition, between June 2000 and June 2011, 60,480 additional public servants were put on in this state. Many of them are police, fire, teachers and so forth but many, many more have been put on and they have filled up high-rise buildings around Brisbane that this state cannot afford. Members opposite put them there. This state cannot afford them. We are now placed in a position where we have no alternative other than to fix the mess that the old Labor Party left well and truly behind.

This bill is necessary to provide certainty for the government's reinvigoration of the Public Service. The Public Service Commission chief executive issued a directive effective from 31 July 2012 which states that employment security and contracting-out clauses in industrial instruments no longer apply. The employment security and contracting-out clauses in many industrial instruments are overly restrictive and make reform of the Public Service difficult and cumbersome. This directive is necessary to allow for the

efficient restructure of agencies. The government is confident that the Public Service Commission chief executive acted within his delegated authority in approving the directive. Some unions have appealed the decision. This bill will provide the certainty needed for the public sector renewal process to continue and to be completed with the least delay. We have heard repeatedly in the last few weeks from public servants and their unions that they want an end to the uncertainty, and so do we.

The restructure of agencies like the Department of Transport and Main Roads will result in savings which will assist the government in bringing the state's budget back under control. Anyone in this place knows that we have to do that, and it is because of the legacy of debt left by the Bligh government that preceded us. We would rather not have to be restructuring the Public Service and finding savings, but it is something we have to do because it has been forced upon us by the incompetence of the previous government. Every minister and director-general feels for the staff in their departments who are affected by the decisions we have to make. But there is a much bigger consideration which cannot be ignored, and that is the future prosperity of the state and more than four million residents who each day contribute to making it a better place. We have a responsibility to act in the best interests of the state as a whole, not to protect Public Service jobs that the rest of the community pays for through more taxes, more charges and more levies. By taking action now which causes some pain, we are preventing the much greater pain which could have resulted in the future if we did nothing to correct Labor's financial mismanagement.

The Public Service restructure is being undertaken in an ordered way and this employment security directive is part of the process to achieve a more efficient and responsive Public Service. The existence of the directive does not mandate immediate change in any particular government department, nor does its existence mean that it has to be used. The directive provides the mechanism should any agency decide that better value for taxpayers' money could be achieved by outsourcing some service or services. Our focus is on delivering quality services at the best possible price so that we can recover as soon as possible from the financial mess left behind by the former government.

For the past few years the Bligh government could not even afford to pay public servants from consolidated revenue. They had to borrow just to pay the fortnightly wages bill. The result is that we are now faced with having to reshape the Public Service to bring it into line with the funds that we have to pay. It is basic economics: if you spend more than you have, then you incur an extra expense, which is an interest on borrowings. If you let borrowings get out of hand, then interest payments can become one of your biggest expenses, as it is in Queensland. Every dollar spent on interest payments is one less dollar available to be spent on staff and services.

Let me return now to the enterprise bargaining process. Discussions are currently underway between the Public Service Commission and unions on various enterprise bargaining agreements which are due for renewal. We have made fair offers in the current circumstances in which inflation across Queensland is 1.2 per cent. In Brisbane I believe it is 0.9 per cent of one per cent. We inherited from the previous government a state debt which at the moment is \$65 billion and is heading towards \$85 billion if we can stabilise it at that point.

There are times when restraint is needed from all parties so that we can retain as many Public Service jobs as possible. The focus of this government as far as the Public Service is concerned is to rein in the massive debt and thereby protect as many Public Service jobs as possible. However, we cannot do it alone. We need recognition from the public sector unions that wage increases exist within a broader environment. Enterprise bargaining is just that: bargaining. It is not just about what unions want; it is also about what the employer can afford to pay.

I note that the Together union secretary last week said that his members would be prepared to consider a wage freeze if it meant Public Service jobs could be saved as a trade-off. It is a pity the union did not display this bargaining spirit a little earlier, rather than just opposing, point-blank, everything the government has put on the table. In keeping with his previous form, Mr Scott made his offer through the media rather than put it on the table as part of negotiations. That highlights the difference between the two sides of the current enterprise bargaining process: the government is prepared to bargain while the unions are only interested in confrontation. If the various unions are serious about representing their members, the best thing they can do is work with us to find savings, flexibilities and efficiencies in the Public Service so that we can retain as many jobs as possible. The alternative, if the unions have their way, is paying more money to fewer people.