



gjm:ejr

14 May 2020

Hon Anastacia Palaszczuk MP
Premier and Minister for the Trade
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Dear Premier

Re: Wages policy – Pay freeze

The Queensland Teachers' Union (QTU) is seeking re-consideration of government changes to wages policy for its employees, including over 48,000 teachers and principals who are QTU members employed in state schools and by TAFE Queensland. The changes, known colloquially as a “pay freeze”, are not justified morally, industrially or economically.

Teacher and principal work

A pay freeze, in whatever form, is undeserved by Queensland teachers and principals who have been working in the frontline during the pandemic.

Their work has ensured the continuing education of Queensland state school students and has supported the work of other essential workers during the pandemic.

They re-engineered education delivery from classroom-based delivery to remote learning, virtually or by paper with little notice over five pupil-free days at the end of term 1, plus additional work during the Easter school vacation. It is an amazing professional feat to anyone with any understanding of teaching and the operations of schools, notwithstanding limitations of time, resources and experience in remote teaching.

At the same time, many school systems around the world were shut.

Now the full re-opening of schools is seen as a critical component of economic recovery, and teachers and principals are adapting again to the earlier than anticipated return of four year levels to school, and the imminent return of all students.

The circumstances have been different in TAFE with adult students, but particular courses have been prioritised and continued during this time while VET systems around the world have been shut.

Many teachers and principals have reported that they have never worked harder during this period.

A pay freeze is undeserved by the people who have continued state education during the pandemic. It is inconsistent with the very positive decisions that the Queensland government made earlier to provide additional pandemic leave for employees, to provide payments for

casual teachers affected by loss of work and to continue the temporary engagements of contract teachers which the Union acknowledges and applauds.

For one group more than any other, the pay freeze is underserved: teachers and principals in the defined benefit superannuation scheme who are considering retirement. Any pay freeze will significantly affect the superannuation benefit of any member retiring after 1 July 2020, many after thirty or even forty years of service.

Sharing the pain?

There is an emotive but specious argument put forward that the pay freeze for teachers and principals is about “sharing the pain”. It is intended to induce guilt, amongst those who remain employed and continue to work (hard), for being employed ... and to fool them into working harder for less.

The argument is, of course, selective in that it applies only to government employees. And it assumes that none of those government employees are suffering, or vulnerable to economic pain. It is an empty argument.

No direct connection moreover has been made between the pay freeze and the alleviation of the economic pain felt by other Queenslanders in spite of our invitations to do so.

If there is to be any “sharing of the pain”, it should be in the form of progressive taxation measures implemented to pay down resulting debt, if renewed economic activity is insufficient to do so in the future.

Industrially untenable

The pay freeze proposals, as far as can be seen, are industrially untenable as well.

There are current enterprise bargaining agreements, certified in the Queensland Industrial Relations Commission, covering the salaries and conditions of teachers and principals to 30 June 2022. The existing avenue to vary those agreements is by application after a ballot of affected employees.

There has been and is no proposal for employees to vote on.

Now there is speculation that the government will legislate to give itself the power to vary or override agreements. Both the McGowan review of industrial legislation and the Bridgman review of public service legislation have drawn attention to the conflicting roles of government and employer. If the speculation is correct, the Queensland government would be proposing, as an employer, to unilaterally withhold pay increases contained in enforceable agreements that the government willingly entered into.

There would be no consideration of the arguments for and against a freeze by any independent third party or tribunal which is fundamental to separating government and employer roles.

A private sector employer who took such action would be pilloried, and rightly so. How could it and why should it be any different if the action is taken by a government employer?

Economically counter-productive

Proposals to freeze public sector pay in response to the economic effects of the pandemic restrictions are counter-productive and would be a repetition of historical economic mistakes.

Such proposals are based on a type of austerity economics where the policy prescription for government is to rein in expenditure, working towards a balanced budget - "living within its means"- in circumstances of economic recession or depression. It is the economic theory of responses to the Great Depression and its implementation postponed recovery of employment and the economy for many years.

It is not the role of governments to balance their budgets in times like these. Governments are not households or businesses. The proper role of government is, in a counter-cyclical way, to spend in a targeted way to stimulate the economy and make up for a lack of private sector economic activity, whether as a result of economic or health restrictions. The additional expenditure on health needs and on economic stimulus will add in the short-term to government debt, which will then be paid down in good times of high economic activity and tax revenue. That is an ongoing lesson of the Great Depression.

Withholding pay increases teachers' and other public sector workers' pay will remove \$500 million from circulation in the economy, exacerbating the economic slowdown and slowing recovery unless it is used (not saved) in a way that has greater economic and/or social impact. No better use has been proposed.

Instead of withholding pay increases, would it not be better to encourage teachers, principals and other public servants to spend their increases in the local and state economy to increase economic activity and enhance recovery?

I appreciate your time and that of other members of your government in considering this correspondence and look forward to advice from you that the existing enterprise bargaining agreements covering teachers and principals will be honoured.

Should you wish to discuss any of these matters further or to nominate a delegate to do so, please feel free to contact me.

Yours sincerely

Graham Moloney
General Secretary