



AEU SUBMISSION TO THE SELECT COMMITTEE ON ESTIMATES 2009-2010

The AEU welcomes the opportunity to provide this submission for consideration by the Select Committee. Our input concentrates on two areas only, provision for salaries and the proposed reduction in average class size across the system.

1. Provision for Salaries

The AEU notes with concern that there is a significant reduction in funding available for DET and CIT teacher's salaries proposed in the 2009/2010 Budget.

During 2008, prior to the full impact of the global financial crisis being known, the AEU consulted in depth with our teacher members and as a result formulated a comprehensive claim based on three key areas: Recruitment and Retention, Reduction in Workload and Increased Support for the Diverse Needs of Students.

This claim has always been viewed by the AEU as blueprint for the future of public education in the ACT that may well take longer than a single industrial agreement or one term of the ACT Government to achieve. This is particularly so given the current economic circumstances.

Negotiations for new collective agreements have been proceeding with both DET and CIT since early February 2009, with a view to settling new Agreements in each sector by 1 July 2009. The transition from WorkChoices provisions to the new industrial environment of Fair Work Australia means that all parties have been conscious that it is not practical to finalise proposed Agreements and seek membership endorsement prior to 1 July 2009 when the Fair Work Australia provisions take effect. Bargaining has been proceeding with this understanding and with a clear view to having proposed Agreements ready for membership consultation immediately post 1 July.

The AEU was advised by both CIT and DET that Cabinet had considered the issue of Treasury funding for a teachers' salary increase in this context and established the following parameters:

- [i] An Agreement up to 4 years in duration was available.
- [ii] Treasury funding would be provided for a 3% salary increase in each year of the Agreement.
- [iii] Any productivity savings identified could be used to increase the salary quantum or to fund other initiatives arising from the negotiations.

In the context of salary increases achieved in other jurisdictions in the most recent bargaining round, a 3% funding provision for salary increases was – and remains – a modest proposal. While agreement had not been reached on any quantum or duration prior to the ACT Budget being delivered, the AEU had expected that funding provided by Treasury for teacher salary increases would meet the 3% previously determined by Cabinet.

The funding provision identified for teacher salary increases appears to be 2% in the first year and 2.5% in the out years of any Agreement. This is clearly a significant reduction from the 3% funding parameter previously advised which, from the AEU's perspective, represented the

commitment of ACT Government to funding provision for teacher salary increases in the new bargaining round.

Government calls for public servant wage restraint are acknowledged by the AEU, as is the current economic circumstance. However, for Treasury to provide funding of less than even a modest 3% per annum fails to acknowledge the much-delayed and smaller salary outcome for ACT public school teachers compared to other ACTPS employees in the previous bargaining round. It will also do little to keep ACT public education salaries competitive against other jurisdictions. The AEU believes that Government needs to reconsider the Treasury provision for teacher salary increases.

The AEU understands the concern of Government for the potential flow-on effect of any salary increase provided to teachers, given that the AEU is the first union to engage in bargaining for this current round. However, the AEU asserts that there is no precedent implied in the funding envelope for teachers. Indeed, if AEU outcomes actually did set a precedent for the general ACTPS round, then outcomes across the Service would have been smaller than was the case in the 2007/2010 Agreement making process. Other ACTPS unions are aware of the bargaining parameters under which the AEU has been negotiating for some three months now. They are also aware that it is another 12 months until their Agreements come up for renewal and that the provision applied to the AEU may not be the position of Government in subsequent bargaining rounds.

RECOMMENDATION:

That the Treasury funding provision for teacher salary be increased to provide competitive salaries to meet the needs of the public education system.

2. Reduction in Average Class Size across the system

The AEU believes that the funding required to deliver the Budget initiative of an average class size across the system of 21 in Years 4-10 and 19 in Years 11-12 could be better tailored to meet system needs. The AEU understands that this initiative was one of the Stanhope Government's re-election promises, but regrets that there was no consultation about the efficacy or desirability of this move at that time. In the context of a tight fiscal environment, the AEU believes that this commitment should be modified for the following reasons:

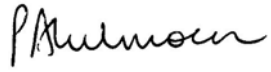
- [I] An "average across the system" does not mean that there will be no classes with numbers in excess of 21 students. Indeed, the AEU has been aware of instances where classes in some subjects have been in excess of 30 students, and certainly classes in excess of 21 are the norm in most schools. This expenditure may result in no change from current arrangements in many schools given that the initiative establishes an average across all schools [excluding Special Schools] in the ACT public education system rather than a maximum number of students per class.
- [II] The recruitment of an estimated 70 additional teachers required to support this initiative is likely to be difficult in an environment where ACT teachers' salaries are behind those of other jurisdictions.
- [III] Even should 70 teachers be recruited, given that the resource is geared towards system class numbers rather than school class numbers it seems likely that the benefit of this program will be patchy at best.

The AEU believes that the Budget funding for this proposal would be better directed to implementing a maximum class size across the system of 25 from Years 4-12 [excluding Special Schools]. It may not be possible to fully implement such a proposal in the current round, but the funding could be used to commence the reductions. Such a program would require amendment to staffing formulae in the system to ensure that teacher entitlements reflected a maximum class size of 25.

RECOMMENDATION:

That the class size initiative be adjusted to provide an average class size across each school [excluding Special Schools] of 21 and ensuring that no individual class exceeds 25 students in Years 4-12, while retaining the maximum class size of 21 for Preschool – Year 3.

The AEU thanks the Select Committee for the opportunity to put these views for consideration.



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