

1 November 2017

Andrew Barr  
Treasurer  
GPO Box 1020  
CANBERRA ACT 2601

Dear Treasurer, *Andrew*

## ACT BUDGET 2018-19 CONSULTATION

UnionsACT is the peak council representing 24 unions and over 33,000 working people, their families and communities. Many tens of thousands more Canberran workers have their wages and conditions shaped by the work of our affiliated unions. We have a long and proud history of independently and fearlessly advocating on behalf of union members, and our mission is to improve working standards and living standards for all working people.

As the leading voice for working people in the ACT, UnionsACT is pleased to contribute to the 2018-19 Budget Consultation. Our submission is focused on reducing inequality and improving social inclusion. We view the ACT Government as an essential partner in our historic work.

UnionsACT's recommendations in this submission build on our detailed submission last year, and continues to inform our ongoing public advocacy work. In particular, UnionsACT's priority areas include insecure work, the creation of secure jobs, and strengthening the voice of working people in decisions that affect workers. UnionsACT has consulted with our affiliates, and we support the submissions and recommendations made by a range of unions, including the CPSU, UFU and AEU.

Should you wish to discuss this submission further, please contact me on [alexwhite@unionsact.org.au](mailto:alexwhite@unionsact.org.au) or 02 6225 8116.

Yours sincerely



**Alex White**  
Secretary  
UnionsACT



# UNIONSACT SUBMISSION TO THE 2018-19 ACT BUDGET CONSULTATION

## ABOUT UNIONSACT

UnionsACT is the peak council representing 24 unions and over 33,000 working people, their families and communities. One hundred thousand more have their conditions of employment shaped by the work of our affiliates. More than 15,000 Canberrans support the work we do through our community campaigning.

We have a long and proud history of independently and fearlessly advocating on behalf of union members, and our mission is to improve working standards and living standards for all working people.

As the leading voice for working people in the ACT, UnionsACT is pleased to make this submission to the ACT 2018-19 Budget Consultation.

## INTRODUCTION

UnionsACT's submission to the ACT Budget Consultation for 2018-19 is informed by our 2017-18 Budget Submission, and the submissions of our affiliates. We refer the ACT Government and the Treasurer to last year's detailed submission, which

sets out the priorities of the trade union movement in the Canberra region.

Our core focus then, and now, is practical policies and budget measures that would tackle disadvantage and inequality, and address exploitation and safety in the workplace.

The purpose of this year's budget submission is to focus on particular areas of those earlier submissions and UnionsACT Election Charter that we believe must be core priorities for the ACT Government.

### PRIORITY AREAS:

- Strong and well-funded public services and emergency services
- Secure jobs, rights at work and workplace safety
- Quality public hospitals and affordable healthcare
- Quality, well-resourced schools
- Tackling inequality and ensuring fair taxation
- Public ownership of public assets and services

# STRONG AND WELL-FUNDED PUBLIC SERVICES AND EMERGENCY SERVICES

UnionsACT believes that the public sector remains a major contributor to social and economic life in Canberra. Although recent data shows that public sector employment in the ACT is at its lowest levels since 2006 as a proportion of population, the fact remains that continued ACT Government investment in the public sector, specifically through direct employment, is essential for economic stimulus of the private consumer economy.

The ACT Government is the second largest employer in the ACT, and one third of Canberra workers are employed in public administration. Research shows that the high levels of government investment in public sector employment has kept the ACT from recession, and continues to have a strong local positive jobs multiplier.

UnionsACT seeks the following priorities in this area:

- Fair remuneration, including improved superannuation for all public-sector workers.
- Cooperative workplace arrangements for ACT public sector bargaining and a new enterprise agreement.
- Real increases to the numbers of public servants to address major workload issues identified in 2015 and 2016.
- The promotion of family friendly work by

improving access to child-care

- Delivery on commitments made with regard to emergency services.

## FAIR REMUNERATION, INCLUDING IMPROVED SUPERANNUATION FOR ALL PUBLIC SECTOR WORKERS

UnionsACT notes collective bargaining is continuing at the time this submission was made.

A key consideration for UnionsACT is that ensuring the ACT is a high-wage economy, and in particular that the ACT public service has fair wages as a result of collective bargaining with public sector unions.

Additionally, strong wages in the ACT public sector has an immediate positive jobs multiplier through to the private sector economy. The salaries of employees represent approx. 34% of ACT Govt expenditure, or 5% of GSP, almost all of which is spent by public servants into the consumer economy.

The ACT Government's election commitment to "maintain the real wages of ACT public servants" is noted, but we are concerned that linking wages to CPI or inflation represents an unhelpful and dogmatic approach to wage-setting. UnionsACT continues to hold that the ACT Government should aspire to improve remuneration for public sector workers above CPI, as part of the collective bargaining process.

**Recommendation: Through collective bargaining, increase public sector wages above CPI.**

Similarly, UnionsACT notes the current disparity in superannuation for public sector workers, whereby some public-sector workers receive lower superannuation than others, harms the ability of many working people to retire with dignity, as well as being founded on little economic sense. UnionsACT reiterates our recommendation from last year that the ACT Government raise all superannuation through collective bargaining with unions.

**Recommendation: Through collective bargaining, ensure that all public sector workers have their superannuation increased to the same level.**

## **REAL INCREASES TO THE NUMBERS OF PUBLIC SERVANTS TO ADDRESS MAJOR WORKLOAD ISSUES IDENTIFIED IN 2015 AND 2016**

UnionsACT notes that the various restructure rounds across the ACT public service continue to result in millions of dollars in “savings”. The impact of these restructures and savings is substantially increased workloads for public servants across all directorates, leading to decreased productivity and low morale.

Work intensification is a major contributor to stress, and can also contribute to other workplace safety risks. A 2016 survey of ACT public servants found that 40% felt their workload “increased significantly” over the past 18 months, with 31% feeling it was dramatic enough to damage their health.

UnionsACT refers to our 2017-18 submission, where we calculated that, conservatively, there are over 20,000 unpaid daily overtime hours contributing to excessive workloads for the ACT’s public servants, at a cost to public servants (and windfall gain to the ACT Government) of over \$836,000 per day.

UnionsACT is again calling for a real increase in its overall size in the ACT. This should be in sufficient numbers to materially reduce public sector workloads.

An additional 823-1062 new full-time positions, in addition to natural growth, could substantially and materially address the enormous workload challenge.

**Recommendation: deliver real increases to the numbers of public sector workers as a means to address chronic workload issues.**

## **PROMOTE FAMILY FRIENDLY WORK BY IMPROVING ACCESS TO CHILD-CARE**

UnionsACT reiterates our call from our 2016 and 2017 Budget Submissions to ensure that all new government office facilities catering for greater than 500 employees include co-located and subsidised child-care.

It is the role of the government to ensure equal opportunity to the entire workforce. To this end, the government should strengthen steps to make child care accessible to all employees.

**Recommendation: Ensure new large ACT Government facilities continue to provide co-located and subsidised child care for ACT public sector workers.**

## **DELIVER ON COMMITMENTS MADE WITH REGARD TO EMERGENCY SERVICES**

UnionsACT supports the more detailed submission of the United Firefighters Union, and calls on the ACT Government to implement its commitments from the 2016 Election with regard to emergency services, specifically:

- Purchase a new aerial pumper to improve fire safety.
- Undertake capital works for new fire station for the city.

UnionsACT expects the ACT Government to work cooperatively and consult with the emergency services unions – especially the United Firefighters Union and the Transport Workers Union – to ensure that our emergency services personnel have the resources they need to protect us all.

**Recommendation: In cooperation with relevant emergency services unions, purchase a new aerial pumper, and commence land-purchase and planning necessary for a new city fire station.**

# **SECURE JOBS, RIGHTS AT WORK AND WORKPLACE SAFETY**

Exploitation, insecure work and safety risks are widespread across the ACT. UnionsACT research has demonstrated that two in five workers in Canberra are employed precariously. Workplace safety in Canberra is the second worst in Australia. Wage-theft and non-payment of superannuation affects over 10,000 working people in the ACT.

These negative working experiences have serious, long-lasting and negative consequences for working people, including poor health outcomes, disrupted family and social life, and poverty in retirement.

UnionsACT has made a detailed submission to the ACT Assembly into Insecure Work, with many detailed recommendations. We refer to the Government to that submission, and the submissions of our affiliates to that Inquiry.

UnionsACT also notes and support's the Government's objective of diversifying the ACT economy. A key area of focus for the Government has been the Study Canberra strategy; UnionsACT notes that tertiary education is the ACT's largest export industry, employing 16,000 working people, and attracting tens of thousands of international students, most of whom also work in Canberra. Increased diversification of the labour market through promoting investment in tertiary education should also protect the ACT economy from potential

future Federal Government cuts to the Australian Public Sector.

UnionsACT seeks the following priorities in this area:

- Establish WorkSafe ACT as an independent statutory authority.
- Introduction of the Local Jobs Code.
- Establish a labour hire licensing scheme.
- Fund a Young Worker Advice Service.
- Increase funding for Industrial Magistrate Court prosecutions.
- Create an Office of Industrial Relations.
- Increase resources for Study Canberra.

## ESTABLISH WORKSAFE ACT AS AN INDEPENDENT STATUTORY AUTHORITY

More than 3,500 working people are seriously injured in private sector workplace each year. Rates of serious injury in the ACT during the most recent reporting period are at 3.5 serious claims per 1000 employees, compared to the Australian average of 2.8 serious claims

Since 2015, the work safety regulator has been the head of Access Canberra and Worksafe has been a unit within Access Canberra's Construction,

Environment and Workplace Protection division. WorkSafe ACT recorded a decrease in the number of compliance activities (down an average of 84 percent) compared to 2014, the year before it was merged into Access Canberra.

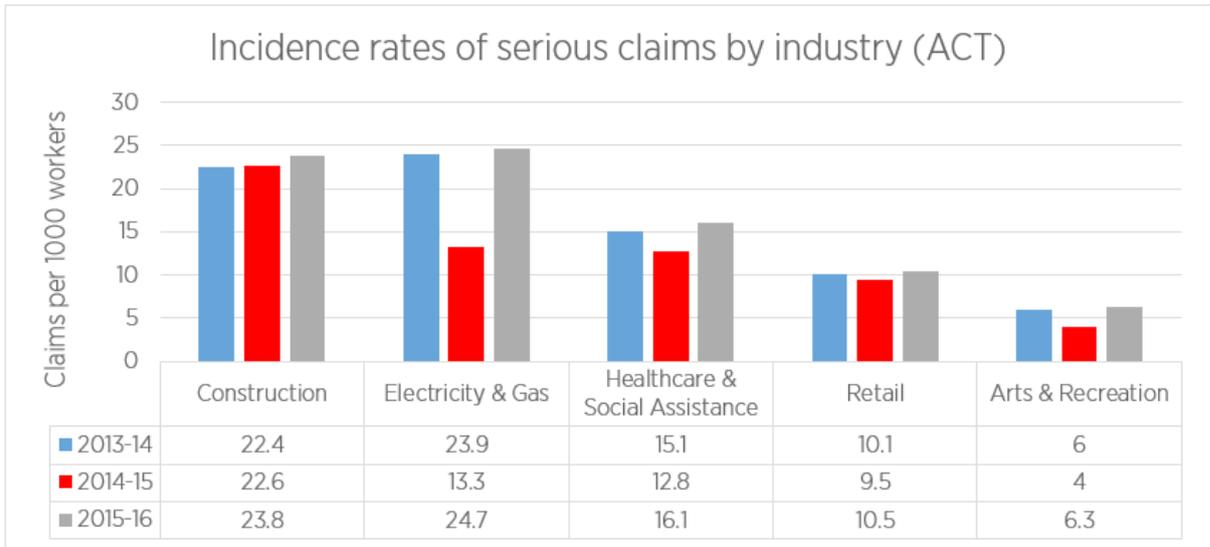
UnionsACT notes that increasing injury rates and declining enforcement activities by the regulator demonstrate the serious failure of the regulator, and the inappropriate nature of the compliance framework imposed on WorkSafe by Access Canberra. In particular, the "risk-based" model for compliance activities has not succeeded in reducing injury rates in the construction sector, and in fact injury rates overall have not decreased since 2012.

A more appropriate compliance approach would be a "strategic approach" to compliance, which emphasised continuous compliance and enforcement activities, including notices and prosecutions, in targeted sectors of the workforce.

UnionsACT strongly recommends that the ACT Government should, as a matter of urgency, structurally separate WorkSafe ACT from Access Canberra, and establish it as an independent statutory authority.

Compliance Activity	2013-14	2014-15	2015-16	2016-17	Percent decline
Number of infringement notices issued	43	13	0	1	-98%
Number of improvement notices issued	832	369	119	140	-83%
Number of prohibition notices issued	195	133	65	58	-70%

Source: Access Canberra: [https://www.accesscanberra.act.gov.au/app/answers/detail/a\\_id/1782/kw/statistics#!tabs-2](https://www.accesscanberra.act.gov.au/app/answers/detail/a_id/1782/kw/statistics#!tabs-2)



The authority should assume regulatory powers associated with the WHS Act, dangerous substances, Workers Compensation, Workplace Privacy, and building and construction licensing. It may be appropriate for WorkSafe to be principle regulator for other Acts related to workplace safety.

UnionsACT also recommends that the ACT Government abolish the position of Work Safety Commissioner. In place of the Commissioner, WorkSafe ACT should be managed by a CEO, who should be the regulator of the WHS Act (and related Acts). The CEO should answer to a Board, who would have governance and strategic policy powers, but would not be regulators and would not have the power to override the regulator. The Board would report to the Minister for Workplace Safety. This is the modern approach broadly used by WorkSafe Victoria and the Office of National Rail Safety amongst other regulators.

There are budgetary implications for this policy. Although UnionsACT supports additional resources for WorkSafe to conduct more inspections, especially

to support the safety of vulnerable workers, a structural separation would not necessarily increase head-count or require substantially more resources.

**Recommendation: Structurally separate WorkSafe from Access Canberra and establish an independent statutory workplace safety authority.**

## **INTRODUCE THE LOCAL JOBS CODE**

UnionsACT strongly supports the Government's proposed Local Jobs Code. We have a long-held view that the ACT Government procurement budget must be used to advance a progressive, pro-worker social and economic agenda, and promote local industry capabilities, skills, secure jobs and sustainable economic growth.

UnionsACT notes that the ACT Government has substantial scope to conduct reform in this area, by using

procurement powers to establish labour standards for businesses providing goods and services to the ACT Government. UnionsACT rejects any suggestion that obligating businesses to meet already legislated workplace standards will increase procurement costs to the government. Procurement in the ACT should already require businesses to comply with Federal and ACT laws.

We believe that legislated requirements on labour standards in ACT Government procurement will contribute to the ACT Government's economic goal of ensuring a high-wage economy that promotes a high standard of ethical and safe business practices. We strongly reject any narrow definition of "value for money" that externalises costs to working people, the community or the environment; procurement policy should be driven by the principles of high social welfare standards, with "value for money" an element of securing those standards.

**Recommendation: implement the Local Jobs Code and provide funding for an appropriate government entity to regulate and enforce the code, and resolve disputes.**

## LICENSE THE LABOUR HIRE INDUSTRY

An increasing number of state jurisdictions have moved to license the labour hire industry, and the ACT Government must do so also. UnionsACT has made a detailed submission to the ACT Assembly Insecure Work Inquiry, and we refer to that

submission, and also to the 2018-19 budget submission by the CPSU.

UnionsACT again calls on the ACT Government to act in this area, including the complete phasing out the use of labour hire by government directorates. Where short-term labour is needed by the ACT Government, direct casual employment should be preferred over labour hire.

**Recommendation: Completely phase out the use of labour hire by government directorates.**

UnionsACT recommends that the ACT Government quickly reviews the recommendations from the Queensland, South Australian and Victorian Inquiries, and implement a licensing scheme with the elements described in the UnionsACT submission to the Insecure Work Inquiry.

**Recommendation: implement a labour hire licensing scheme.**

## FUND A YOUNG WORKER ADVICE SERVICE

Young people aged 15 to 25 are significantly more likely to experience unsafe work and serious exploitation at work. This is even more pronounced amongst international students.

UnionsACT refers to two reports, into young worker safety and young worker exploitation, as well the detailed recommendations and proposals in those reports and our submission to the ACT Assembly

Inquiry into Insecure work. UnionsACT proposes the ACT fund a Young Worker Advice Service.

There is currently no specialised workplace advice service for these young workers. Equivalent services exist in Victoria and South Australia, run by the Victorian Trades Hall Council and SA Unions respectively, and funded by the state governments.

UnionsACT has previously provided a detailed funding application for this program, and is seeking funding over five years.

### **Recommendation: Fund the Young Worker Advice Service.**

## **INCREASE FUNDING FOR INDUSTRIAL MAGISTRATE COURT PROSECUTIONS**

Continued failures by the Director of Public Prosecutions to effectively manage and run prosecutions in the Industrial Magistrate Court highlights the need for additional specialist resources. UnionsACT also again highlight's the inappropriate compliance and prosecution policy adopted by Access Canberra, which further undermines the DPP's ability to prosecute industrial and work safety cases.

Additional resources should be made available to the DPP to adequately prosecute cases in the Industrial Magistrate Court.

### **Recommendation: review and increase funding for Industrial Magistrate Court prosecutions.**

## **CREATE AN OFFICE OF INDUSTRIAL RELATIONS**

Although mostly the domain of the Federal Government, the ACT Government has some important industrial relations powers and resources.

Presently, there are several separate entities, authorities and branches of the ACT Government that involve industrial relations that have been established over the years. There is no coordination between these bodies, and no central policy guiding their work. Furthermore, there is no unified compliance and enforcement.

The negative consequences of the lack of central coordination and compliance include:

- No single ACT Government-wide understanding of industrial relations or enforcement of existing laws. Expertise is dispersed and not easily shared.
- Inspection gaps in existing compliance regimes.
- Inconsistent enforcement and compliance standards, with no single compliance framework policy for the various IR laws and policies.
- Policy is developed across several policy units.
- No single Government policy and compliance advice available to the Minister.
- The existing Workplace Safety and Industrial Relations Division policy unit develops some policy for some areas, but does not have any regulatory function.

UnionsACT proposes that the ACT Government bring together the various units and entities into a single Office – the Office of Industrial Relations. The combined Office would:

- Combine all existing entities with industrial relations and procurement responsibilities.
- Be the principle repository within the public service for industrial relations policy, enforcement and compliance, principally for the private sector.
- Ensure inspectors have access to a broader range of inspection powers.
- Provide advice to ACT Government business units and directorates regarding compliance with relevant industrial relations obligations.
- Be a single point of contact for disputes or complaints about industrial matters.
- Work closely with unions, and employer organisations.

A combination of these resources would improve the compliance, inspection and monitoring functions, without sacrificing any of the current work or obligations of the former work units to their current larger entities.

The new Office of Industrial Relations should:

- Be separate to CMTEDD and Access Canberra.
- Be separate to Work Safe.
- Should incorporate existing regulatory resources, with no diminution of current staffing or other resources.

**Recommendation: establish a new Office of Industrial Relations that incorporates existing entities with industrial relations functions, enforcement roles and policy development.**

## **INCREASE RESOURCES FOR STUDY CANBERRA**

Canberra's education and research sector contributes \$2.7 billion to the local economy and employs 16,000 people. International education represents the largest and fastest growing export industry for the ACT. The ACT's universities, in conjunction with the Government, attract 12,000 international students, the vast majority of whom are engaged in some form of paid work while they study.

UnionsACT is concerned that Study Canberra does not have sufficient resources to adequately service or support this important sector. Specifically, UnionsACT notes that there is no dedicated resources designed to prevent potential shocks to international student demand. Potential risks include workplace rights or safety scandals such as 7-Eleven, which could impact on demand.

UnionsACT therefore recommends that the ACT Government increase funding for Study Canberra to develop a program that "joins up" the disparate support services available for international students. UnionsACT suggests that this would work closely with existing University services, unions, international student associations, and community groups that are active in this area.

**Recommendation: provide additional funding for greater staffing and programs for Study Canberra.**

## QUALITY PUBLIC HOSPITALS AND AFFORDABLE HEALTHCARE

Ensuring access to affordable, universal health services for all Canberrans must remain a key priority for the ACT Government.

UnionsACT notes and welcomes the strong commitments made by the ACT Government to invest in the public health system, but notes that more must be done to address the cruel Federal Government funding cuts, and cuts in by the NSW Government in regional NSW.

UnionsACT's priorities in this area are:

- Support nurse-patient ratios

### INTRODUCE NURSE-PATIENT RATIOS

UnionsACT supports calls by the ANMF to introduce legislated nurse-patient ratios. Nurse workloads poses significant risks to patient health outcomes, and increases workplace safety risks for nurses and other health workers. Other jurisdictions are benefiting from legislated nurse-patient ratios; the health benefits are increasingly clear. UnionsACT also notes that health unions broadly report concerns from members that fatigue and work intensification amongst medical staff is a widespread and worsening problem.

UnionsACT recommends that the ACT Government work with the ANMF to develop legislation similar to what exists in other states. We note that this will have a budgetary impact, and the consequence is likely that the ACT will have to train and hire more nurses.

**Recommendation: introduce nurse-patient ratios, in consultation with the ANMF and health unions.**

## HIGH QUALITY, WELL-RESOURCED EDUCATION

Education remains the key pathway for social mobility and tackling entrenched disadvantage. Our community needs to ensure that resources are based on the needs of students, rather than postcodes or the income of parents.

UnionsACT also believes it is important that the voices of educators and workers in the education sector be heard and genuinely consulted on education policy. This means recognising the workforce as a stakeholder in education strategies, and including workers' representatives on advisory and governance bodies.

UnionsACT notes that the Australian Education Union has made a submission, and UnionsACT supports that submission, especially its calls to limit contestability of funding for vocational training – a pernicious form of privatisation – and calls to provide additional resources for schools.

The priorities that UnionsACT seeks are:

- Deliver on capital infrastructure investments, including heating and cooling.

## **DELIVER ON CAPITAL INFRASTRUCTURE INVESTMENTS**

Improving standards, energy efficiency and heating/cooling for school buildings will have a significant impact on learning outcomes, and reduce running costs of schools. Thermal upgrades in particular will improve comfort for staff and students, address carbon pollution emissions, help create skilled jobs, and cut costs.

UnionsACT notes the ACT Government's substantial Election commitments in this area, and supports the focus on heating and cooling. School infrastructure procurement contracts should be covered by the Local Jobs Code.

**Recommendation: Deliver infrastructure commitments in full, prioritising thermal upgrades and ensuring projects are covered by the Local Jobs Code.**

# **TACKLING IN-EQUALITY AND ENSURING FAIR TAXATION**

Inequality in Australia is at 70-year highs, and is also worsening in the ACT. The increase in inequality is corrosive to our democracy, and is the cause of significant harm to vulnerable people in our community. More than 21,000 people in Canberra live in poverty, a sickening and unacceptable number for one of Australia's richest cities.

The ACT Government must do more to reduce and remove inequality. A key policy lever for this objective is tax policy.

UnionsACT seeks the following tax priorities:

- Phasing out regressive taxes and increasing progressive taxes.
- Investigating and pursuing tax avoidance.
- Introducing a 'low-paid worker' parking permit.
- Reviewing poker machine taxes.
- Significantly expand the EEIS and other energy efficiency policies.

## **PHASE OUT REGRESSIVE TAXES AND INCREASE PROGRESSIVE TAXES**

UnionsACT acknowledges that the ACT Government continues to be a leading jurisdiction in Australia on progressive taxation reform. We have publicly

supported and praised the Government's goal of ensuring a fair, equitable and efficient tax system.

Nonetheless, UnionsACT notes that some elements of the 2015 and 2016 budgets appear to emphasise efficiency at the expense of equity. This especially refers to the expansion in flat levies, and remissions to existing taxes. Levies and taxes that could be reviewed include:

- **Lease variation charge remissions:** these tax cuts amount to windfall gains by highly profitable property developers and builders, amounting to up to \$25 million in recent years. This is effectively a tax transfer from tax payers to millionaires.
- **The Fire and Emergency Services Levy:** this is a flat tax, paid by property owners regardless of property value, and is normally passed on to renters. Consideration to making this a value-based tax could address its current regressive nature.
- **Motor Vehicle Registration:** This is a flat tax paid by all vehicle owners. The tax can only be avoided by choosing not to drive a car. Consideration could be given to introducing a low-income concessional rate.

## INVESTIGATE AND PURSUE TAX AVOIDANCE

Tax avoiding companies and individuals harm our schools, hospitals and public services, all of which rely on good faith contributions. In recent years, up to 38 per cent of corporate entities with over \$100 million turnover have paid no tax in Australia.

UnionsACT notes that the 2016 Budget announced that the ACT Treasury would spend \$5.7 million on a taskforce to investigate tax evasion. UnionsACT notes that there is no record in 2017 of the taskforce being introduced, and the taskforce does not appear to be referred to in the CMTEDD Annual Report 2016-17.

### Recommendation: Implement the Tax Evasion Taskforce.

## REVIEW POKER MACHINE TAXES

The ACT has one of the lowest poker machine tax rates in Australia. In 2014-2015, ACT clubs made over \$167 million from poker machines – while returning only 12% of this back to community and sporting organisations. Working people and their families are amongst the worst affected by the negative impacts of poker machines and problem gambling.

### Recommendation: Gradually increase the poker machine tax rate to at least the national average.

UnionsACT reiterates our concerns at the harm caused by problem gambling. For this reason, it is time for the community contribution levy to be reviewed and increased.

UnionsACT is seeking an increase of the community contribution levy. The additional funding secured by a higher community contribution levy should be hypothecated into a Community Fund.

### Recommendation: Increase the community contribution levy,

**and hypothecate a proportion of the levy into an independently governed Community Fund.**

## **RETAIN THE LEASE VARIATION CHARGE**

UnionsACT strongly supports the lease variation charge. In our view, the LVC is the principle means by which the public can realise a financial benefit from changes to land lease conditions. Due to the unique nature of the ACT's lease-hold system, the lease variation charge is an important, albeit modest, means for rate-payers and the public to ensure that developers make a tax contribution.

UnionsACT rejects the claims of property sector lobby groups such as the Property Council that developer levies and chargers (such as the Lease Variation Charge) have a significant impact on economic activity, investment decisions or overall affordability.

UnionsACT strongly supports the continuation of the Lease Variation Charge, and would oppose any efforts to remove or reduce it.

**Recommendation: Continue the Lease Variation Charge, and restrict the use of remissions.**

## **EXPAND THE ENERGY EFFICIENCY SCHEMES THROUGH A COMPREHENSIVE RETROFIT PROGRAM**

Improving residential energy and water efficiency delivers a 'win-win-win' outcome for everyday people, the economy, and the environment. Saving energy and water reduces the cost of living, particularly for the growing number of households struggling to pay soaring utility bills. Efficient homes are more comfortable and healthier to live in, particularly in extreme weather. Investing in efficiency creates thousands of jobs and postpones or avoids the need for costly additional supply. And reducing consumption cuts greenhouse pollution and saves water for our rivers.

UnionsACT refers to our detailed discussion paper, "A Comprehensive Residential Energy and Water Efficiency Retrofit Program for the ACT" released in 2016. That paper provides a thorough outline of a retrofit program that would create approx. 840 jobs and save households and the Government a substantial amount through reduced energy and water use.

The combined impact of poor quality housing and recent energy price rises can be seen in the growth of the ACT Government concessions budget, which has increased 9 percent a year over the past five years to nearly \$50 million in 2013-14. A significant proportion of this assistance - \$12 million - goes to discounts on energy and gas bills for 28,500 ACT concession card-holding households. The retrofit program would also have an enormous impact on social inclusion outcomes, through directly reducing energy poverty.

UnionsACT recommends the ACT Government invest over 10 years in improving the ACT's housing stock from approx. 1.7 stars to five stars. This investment would be approximately \$63 million per year, improve the energy ratings for 100,000 homes, create 800 jobs, and save households and the Government between \$84 and 142 million per year.

**Recommendation: Substantially expand the package of home energy efficiency programs as outlined in the "Comprehensive Residential Energy and Water Efficiency Retrofit Program for the ACT" paper.**

## **PUBLIC OWNERSHIP OF PUBLIC ASSETS AND SERVICES**

UnionsACT reiterates the principle that services and assets that were built by public investment and that serve the public good, must remain in public hands.

We also strongly oppose the failed public policy trend of outsourcing and "contestability" in the delivery of public services. This regressive and undemocratic approach to delivery of public services erodes the public services' indispensable expertise and experience in the provision of policy work and service delivery.

The priorities that UnionsACT seeks are:

- No further outsourcing
- No further use of public-private partnerships

### **NO FURTHER OUTSOURCING**

UnionsACT repeats our calls on the ACT Government to cease outsources. We note the ACT Government proceeding with outsourcing of street light maintenance, for example, and for property and maintenance services (e.g. in schools, hospitals, and public housing).

Outsourcing relies on the disproven theory that private contractors can do the work of directly employed public servants better and at less cost. This theory has been disproven time and time again, including by the World Bank, who stated that in a global review into the efficiency of public and private utilities concluded: "Most cross-country papers on utilities find no statistically significant difference in efficiency scores between public and private providers." The so-called cost-savings from outsourcing are simply achieved by transferring the costs to workers and the community.

UnionsACT again urges the ACT Government to completely cease contracting out of any government service, and to phase out existing contracts, to bring services currently outsourced back in-house.

**Recommendation: Cease contracting out, including ceasing the use of Total Facilities Management models of contracting.**

**NO FURTHER USE OF PUBLIC-PRIVATE PARTNERSHIPS**

UnionsACT is opposed to the further use of public-private partnerships, and we refer to our more detailed notes in our 2016-17 submission.

UnionsACT is in particular concerned at the democratic deficit associated with PPPs, whereby a substantial element of public administration and delivery of projects and/or services are contracted out to the private sector. UnionsACT and the Australian union movement have longstanding reservations and concerns regarding the use of PPPs.

**Recommendation: The ACT Government cease any further use of public private partnerships.**



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Trades & Labour Council of the ACT **ABN 31 724 041 495**

UnionsACT acknowledges that Canberra has been built on the land of the Ngunnawal people.

We pay respect to their Elders and recognise the strength and resilience of Aboriginal and Torres Strait Islander peoples.