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Hon. Mike Rann MP
Premier of South Australia

Ms Jan McMahon
General Secretary
Public Service Association of South Australia
GPO Box 2170
ADELAIDE SA 5001

Dear Ms McMahon

I am pleased to advise that the *Public Sector Act 2009* commences on 1 February 2010.

This Act will replace the *Public Sector Management Act 1995*, which has been amended and retitled to become the *Public Sector (Honesty and Accountability) Act 1995*. Together these Acts will become the foundation for public sector employment in South Australia.

Notwithstanding these changes, one thing remains very clear. As we did prior to the 2006 election, and as we have done repeatedly since that time, the Government recommit for the duration of its next term to no forced redundancies for tenured employees.

As you know, this Government has been a staunch defender of the role of government, and the importance of public service for the community.

Since the election of a Labor Government in 2002, we have maintained a no privatisation policy. Labor will continue to maintain a no privatisation policy. By contrast, the Liberal's when in Government pursued an aggressive privatisation agenda including core government services such as water, electricity, health and public transport while at the same time it reduced government services.

Labor has steadily rebuilt the provision of services to the community by the public sector, after the savage cuts in services and staff under the former Liberal Government. That Government manifestly believed, as demonstrated in its privatisation policy, in the creed that Government and public service was an impediment to progress.

This Government, by contrast, has built up the public sector each year. We have increased the number of our public sector workers by 16.4% as at 30 June 2008; the Liberals slashed the public sector by 27.5% in their time in office.¹

¹ Numbers of full time equivalent staff as published by Commissioner for Public Employment. 30 June 2008 figures are the latest complete figures available – see South Australian Public Sector Workforce Information Collection, June 2008: Table 2.

South Australia is fortunate to be served by a professional public sector dedicated to making a positive difference. But our State is now facing a number of very significant challenges - we are planning for a significant increase in population and the growth of mining, defence and other industries. And we are doing so within the context of a challenging economy, a changing climate and an ongoing drought.

The new Public Sector Act provides a modern employment framework to support a high performing public sector so that we are better able to meet these challenges, and so that we can continue to provide high quality services to the community.

For the first time agencies and employees right across the public sector will be governed by a comprehensive set of principles guiding all aspects of our work. The Act also provides for greater mobility and responsiveness, and has a greater focus on performance and its development.

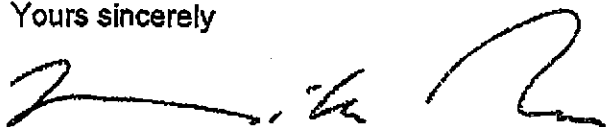
A lot of attention has been paid to the increased responsibility of Chief Executives to manage all employees within their department.

I want to emphasise that the Act enhances, not reduces, protections for all public sector employees. For the first time, public servants have the right to appeal to the Industrial Relations Commission to resolve individual employment matters. Provisions regarding employment conditions have been maintained, and in a number of cases strengthened. Priority will continue to be given to developing employees – the Act emphasises the need for consistent performance management and development across the public sector that is positive, not punitive.

To support the Act, the Commissioner for Public Sector Employment has issued a new Code of Ethics for the South Australian Public Sector. The Code builds upon the principles of the Act and in doing so makes strong statements about the ethics and values that underpin public service. As well as guiding employees in their professional activities, the Code is designed to strengthen public confidence in the public sector.

The changes brought about by the new Act will be significant. Given this, I think it would be beneficial for there to be ongoing discussion between the Government and the PSA as the Act takes effect. The Minister assisting me in Cabinet Business and Public Sector Management, Jay Weatherill, is very willing to arrange regular meetings with the PSA to discuss any issues of concern that arise in respect of the new Act, or the changes made under it. His office will contact you in the near future to set up these meetings, in the event you agree they would be useful.

Yours sincerely



MIKE RANN
Premier

1/2/2010

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Government
of South Australia

Ms Jan McMahon
General Secretary
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Dear Ms McMahon *Jan*

Re: PSA key issues

Please find below the Government's response to your letter of 19 January 2010 seeking commitments on the key issues impacting upon public sector workers. If there is anything in the response that you wish to discuss please don't hesitate to contact my office and set up a time to meet.

1. Job Security

At all times the Rann Labor Government has maintained the no forced redundancy policy. We will continue to do so. We commit that there will be no forced redundancies of tenured employees during the next term of Government.

This Government has been a staunch defender of the role of government, and the importance of public service for the community. We have steadily rebuilt the provision of services to the community by the public sector, after the savage cuts in services and staff under the former Liberal Government. That Government manifestly believed, as demonstrated in its privatisation policy, in the creed that Government and public service was an impediment to progress. It pursued an aggressive privatisation agenda including core Government services such as water, electricity, health and public transport while at the same time it reduced government services.

This Government, by contrast, has built up the public sector each year. As our most recent figures from June 2009 show, we have increased the number of our public sector workers by 20%; the Liberals slashed the public sector by 27.5% in their time in office – i.e. more than a quarter of public sector jobs were lost.

2. Consultation

One of the significant changes made by the new Public Sector Act was to elevate the requirement to consult to the level of one of the key principles of the Act.

Public sector agencies are now required to ensure that employees and their representative organisations are consulted about employment matters. The former Act required that consultation occur only in respect of "significant matters".

These requirements are supported by the provisions in Enterprise Agreements detailing the consultative principles and mechanisms that the Government and Employee organisations have committed to.

In addition, the Government has already committed to consulting with the PSA about the implementation of the Public Sector Act, with the Minister assisting the Premier in Cabinet Business and Public Sector Management chairing those consultations. This is an unprecedented commitment to making sure that the new Act works in the interests of all. The Government also commits to use this consultation process to consult on whole of government public sector management policy issues.

3. Workloads and Services

The Government has increased the Public sector workforce by about 20% since it came to office. Each year in that time there has been an increase in the public sector workforce. These increases have occurred notwithstanding that each year we have sought to make savings by finding efficiencies.

Between 2002 and 2006 the public sector workforce increased by more than 8000 FTEs or more than 12.5%. At the 2006 election we committed to continuing to grow the public sector during this term. We have kept our commitment; the public sector workforce has increased by over 5000 or 7% since then.

These increases include an increase of more than 1100 social, welfare and community workers as well as 1074 more doctors, 3692 more nurses, 487 more police.

We have focused these increases on services. As a result, this Government has undeniably increased services. However, while we have sought to make efficiencies in other areas, there has nevertheless been a substantial increase in administrative staff. For instance, in community services alone there has been an increase of almost 1000 administrative employees to support the extra services provided.

This is in stark contrast to the former Liberal Government, and in stark contrast to the Liberals pledge at the 2006 election to slash 4000 public sector jobs. And we have regularly been attacked by the Liberal Opposition for these increases, and accused of allowing the Public Sector to "blow out".

While there has been an increase in the provision of services, there has also been an increased pressure to provide services. As the Government has made services available, people have looked to Government for services.

Public Sector workers, therefore, may not have experienced these increases in numbers as a lessening of their workloads.

A Rann Government will continue to improve and increase the provision of services in its next term.

4. Temporary Staff

The new Public Sector Act makes clearer that the prevailing type of employment for non-executives is ongoing employment. It does so by tightening the circumstances in which temporary employment can be used. In this way the Act makes clear the Government's stance that ongoing employment be the norm.

In addition, by increasing the scope for mobility within agencies, the Act reduces some of the incentives for agencies to use temporary employment.

Because of these measures, there will be a reduction in the use of temporary employees over time, and an increase in the proportion of staff engaged on an ongoing basis.

For existing temporary employees, the new Act's provisions regarding engagement will apply at the point in time when re-engagement is considered. Those employees whose circumstances do not fall within the exceptions to ongoing employment set out in the Act, should, if re-engaged, be engaged as ongoing employees.

5. Workforce Planning

The workforce planning processes across Government vary. Some areas of government have highly developed workforce planning processes. However, other areas of government could improve their workforce planning.

Recognising this, the Government has asked the Public Sector Performance Commission to establish some key systems that will assist agencies to plan for their workforce needs. This work complements that part of the High Performance Framework that requires agencies to have in place workforce planning processes and measures the effectiveness of those processes.

The Government has also recognised that given its success in revitalising the South Australian economy, there will be an increasing competition for talent between the private and public sectors in future years. Therefore we have invested in the public sector in part to make it as attractive an employer to work with as possible. We have introduced public sector week and the public sector awards to recognise the work public sector workers do and open the community's eyes about the work that public sector workers do; we have created the South Australian Executive Service to provide more opportunities for our leaders and emerging leaders; we have enshrined a set

of “employer of choice” principles in the Public Sector Act; and we have created a Code of Ethics which is deliberately designed to enshrine the values of public service and increase the value of public service and public sector workers in the eyes of the community.

We have also required through the Public Sector Act that agencies must have in place performance management and development systems for each employee. The effectiveness of those systems will also be measured by the High Performance framework. This means that all employees should receive the development and training they reasonably need to be able to provide the services they are engaged to provide.

6. Shared Services

It is unrealistic to reverse the shared services initiative. To do so would cause significant disruption to the staff involved, whose positions have been transitioned from their prior agencies to be employed by Shared Services SA, under the Department of Treasury and Finance. It would also mean forgoing savings in the future – meaning fewer resources for services.

However, the Government will continue to monitor the shared services initiative to ensure it is meeting its objectives. The Government also commits to maintaining dialogue and consultation with staff and the PSA on an ongoing basis.

7. Health, Disability and Community Services

Of all areas of Government, health, disability and community services has seen the greatest increase in the number of employees.

Labor is absolutely committed to providing quality, and well staffed, public health services for South Australians. Since we have been in Government an extra 1074 doctors, 3692 nurses and 931 allied health workers have been recruited to work in the public health system.

Labor has also made massive investments in social, welfare and community services. Overall the numbers of people employed under the Public Sector Act in the operational and professional streams in the social, welfare and community agencies has increased by 1186 workers (to June 2008 – most recent figures available), an increase of almost 50% since 2002.

The number of disability services officers has increased by over 200 between 2002 and 2009 – which represents more than a 20% increase in the workforce.

As set out above, we have also increased the numbers of administrative staff in the social, welfare and community services agencies by almost 1000 in our time in office.

Labor's record on increasing resources and staffing in health, disability and community services is strong. This commitment to increased services in these areas will not change in our next term. As demand for health, disability and community services grows we will need to employ more workers to provide these services – including support staff - into the future.

8. Federal/State Government Relations

The Rann Government enjoys a strong and productive working relationship with the Commonwealth Government.

In December 2008, the Government signed the new Intergovernmental Agreement on Federal Financial Relations. This agreement provided significant additional funding for health, education and community Services, to be delivered by the South Australian Government.

Further, South Australian secured a large share of infrastructure funding under the Economic Stimulus Plan. We are partnering with the Commonwealth on the delivery of significant road, light rail, education, housing and health infrastructure.

We will continue to work with the Commonwealth to deliver improved services and infrastructure for the South Australian community. We will only agree to transfer functions between governments when there is a demonstrable benefit to services and the community.

In the unlikely event that that occurs, and leads to a transfer of functions from South Australia to the Commonwealth, employees will be protected by the no forced redundancy commitment.

9. Common Law Rights

The Government does not support the reintroduction of unrestricted common law rights to damages for injured workers. The South Australian scheme established by statute in 1987 has never included unrestricted access to common law.

In operating exclusively as a 'no fault' scheme, the Workers Compensation system in South Australia provides a consistent and equitable outcome for employees and employers, which aims to minimise the delays, costs, antagonism and inconsistent results which are inherent to any system which relies on a claimant establishing that an employer has been negligent in order to substantiate a claim to additional entitlements.

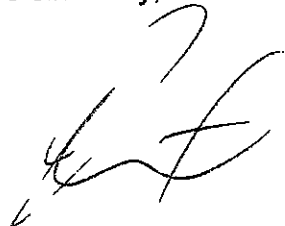
10. Workcover

When the Government amended the Workcover legislation in 2008, it provided for an independent review of the impact of the amending legislation upon workers who have suffered compensable disabilities. The provisions relating to the review are obviously broad enough to include the impact of

the establishment of medical panels and their operation, and the changes made to s43 payments. The review must take place as soon as practicable after 31 December 2010. The Government has committed to consulting with unions about the review before it is established.

Consideration will be given regarding the need for any further reform once the independent review of the scheme changes has occurred.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Jay Weatherill', written in a cursive style.

Hon Jay Weatherill MP
**Minister Assisting the Premier in Cabinet Business and Public Sector
Management**

15/12/2010

Hon Jay Weatherill MP



**Government
of South Australia**

Ms Jan McMahon
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Dear Ms McMahon

I refer to recent correspondence from the Premier and myself in settling out Government commitments regarding matters of importance to public sector employees.

In our correspondence we refer to a greater level of consultation between Government and the Public Service Association. In that spirit, and in advance of the March 20 election, I'd appreciate an opportunity to meet with the PSA Executive to outline our plans regarding the public sector, should we be returned to govern.

Given the election is fast approaching I'd appreciate this meeting taking place at the earliest opportunity. Please advise as a matter of urgency whether a meeting could be arranged.

Yours sincerely,

A handwritten signature in black ink, appearing to be "Jay Weatherill", written over a white background.

Hon Jay Weatherill MP
Minister Assisting the Premier in Cabinet Business and Public Sector
Management

02 / 03 / 2010



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Ms Jan McMahon
General Secretary
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122 Pirie Street
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Dear Jan

I refer to my meeting with the PSA Executive on Friday 5th March, and to the matters you raised at that meeting. Please find below the Government's position in respect of those issues.

1. Job cuts/Jobs growth

As you are aware the Government has committed to no forced redundancies during the whole of the next term. And as you know, our record shows an increase in the public sector workforce in each year of office through new investment, even though we have also made savings each year.

The Government will maintain its commitment to increasing services to the community, and doing so through increased investment in the public sector, throughout its next term.

In responding to the Global Financial Crisis and its impact on Government revenues, the Government established the Sustainable Budget Commission. It is tasked to advise Government on saving \$750 million over the next three years. Some of those savings will come from the reasonable Enterprise Bargaining Agreement reached with PSA members. The Government will continue to seek similar wage settlements across government, which will also make a contribution to the savings target.

But it will remain the case that additional savings will need to be made, and the Government cannot rule out the possibility of further TVSPs being offered.

However, despite that possibility, there will continue to be job growth in the public sector during our next term of Government, if re-elected.

The Government has committed during the election campaign to creating a further 100,000 jobs during the next 6 years. This follows the creation of 111,000 jobs during our first eight years. Of those 111,000 jobs, approximately 16,000, or 14%, were in the public sector to June 2009 (the most recent figures available).

Given the Government's commitment to expanding the provision of services to the community, and to do so through the public sector, it is inevitable that a significant proportion of the increase in jobs will be in the public sector.

2. Workload Issues

Notwithstanding that the public sector workforce has grown by 20% under Labor (as opposed to the 28% cut under the former Liberal Government), this has been accompanied by an increase in the services being delivered by public sector workers. Therefore, the increases have not lessened the workloads of public sector workers. Indeed the PSA's view is that the increased services required to be delivered, coupled with the savings measures, have led to substantially increased workloads for areas within the public sector.

The Government has already committed to a more formal consultation mechanism with the PSA to deal with whole-of-government public sector management policy issues, to be chaired by the person holding the position of Minister Assisting the Premier in Public Sector Management.

The Government commits to commissioning a review of workload issues in areas of the public sector identified by the PSA as having experienced substantial workload issues. The terms of the review, and the areas to be reviewed, will be agreed through the consultation mechanism referred to above. The outcome of the review will be made publicly available.

3. Workforce Skills Development

The PSA believes that some public sector workers are not being properly trained and developed to perform the functions required of them at a consistently high level.

The Government is committed to the development of its public sector workers. This is why we made it a requirement in the Public Sector Act that agencies have in place effective performance management and development systems in place for every employee. And it is why we have

made skills development a cornerstone of the South Australian Executive Service.

The Government agrees to examine those areas where the PSA believes that training and development is deficient, as part of the consultation process outlined above.

4. Shared Services

The Government has previously stated that it is unrealistic to reverse the shared services initiative. To do so would cause further disruption to the staff involved, and reverse the savings that have been realised, leading to pressures elsewhere.

However, the Government commits to consulting with the PSA on ongoing issues with shared services as part of the consultation process outlined above.

5. Appeals Process

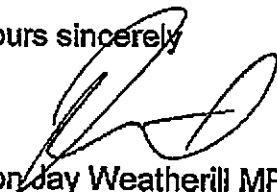
The PSA expressed concerns regarding the establishment of the Public Sector Grievance Review Commission under the new Act.

The Government has asked that a briefing be prepared on any issues relating to the establishment of the Commission with recommendations as to their resolution, to be available for the in-coming Government immediately after the election. The Government commits to resolving those issues swiftly, in the event it is returned to office.

6. Youth Training Centre

In the event that the Government is re-elected it will direct that the Department for Families and Communities consult directly with the PSA regarding the progress of the plans for the replacement of the Youth Training Centre at Magill, and commits to continuing consultation regarding that progress.

Yours sincerely



**Hon Jay Weatherill MP
Minister Assisting the Premier in Cabinet Business and Public Sector
Management**

9/3/10