

AUSTRALIAN EDUCATION UNION

ACT BRANCH

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Thank you for your recent letter inviting the Australian Education Union to provide input to the investigation on:

**The social, economic and industrial issues specific to workers
Over 45 years of age seeking employment, or establishing a
business, following unemployment.**

I understand the Chair of the Committee, Dr Brendan Nelson MP, is interested in the recently announced 'Teacher Renewal - Program' in the ACT.

The ACT Government in 1993 (with AEU involvement) conducted a Teacher Renewal Program which saw some 210 Level 1 and Level 2 classroom and executive teachers accept voluntary redundancy from the ACT Government Service. All officers received full entitlements under the relevant award and if over 55 were able to access superannuation entitlements. If under 55 they were able to preserve and/or transfer their own and their employees equity.

The Program generated some 60 promotional opportunities for Level 1 teachers at the executive teacher level. Many teachers registered for casual relief teaching (allowed immediately after employment). Since then others have taken up full time and part time contracts. A small number of the total involved were supernumeraries because of debilitating medical conditions. All officers taking the earlier retirement option had their substantive positions backfilled by recruits.

Gender balance of the new recruits reflected that existing in the Service at the time and replacements were recruited from applicants that were in the main recent graduates, many of whom were younger teachers.

The scheme required the ACT Government to find some \$10 million to fund payouts, however audited estimates provided to Government by the

Department of Education at the time indicated an overall saving from new recruitment over a ten year period of approximately \$10 million. The savings were attributed to the recruitment of the teachers at the lower end of the twelve step incremental scale, whereas all staff who left the Service under the scheme were at the top of the incremental scale or at Executive teacher level.

Many more applications for voluntary redundancies were received than could be funded. A cut-off point of age 47 applied which fully expended the funds

available. There was no upper age limit to the scheme but the scheme did pick up teachers who may have retired within the next two or three years.

When the ACT Schools Authority was established in 1973 the average age of teachers was 26; currently the average age is 46, with one third of the teaching service over 50 and one third expected to retire within five years.

The 1993 arrangement lifted morale, overall productivity and allowed significant numbers of older teachers to move into a dignified retirement, part time work and other career opportunities. A number began to operate small businesses with varying degrees of success. They also increased the pool of competent casual teachers to support the permanent workforce.

Schools found themselves with recruits that had new and updated skills that enhanced the educational and cultural climate of schools. The exit of so many experienced teachers, besides providing promotional opportunities, also opened opportunities for transfer of existing employees across the system.

On 4 May this year the Chief Minister, Kate Carnell, announced the Teacher Renewal Program. This Program is to be funded by a cut in senior secondary college staff averaging a loss of two positions in each secondary college. This represents the loss of nine classes a college which would have held up to 250 student places. The \$600,000 saved in each of the three years is to be directed to \$30,000 payouts, approximately \$15,000 less than a teacher would expect under a Voluntary Redundancy Program.

The Department will make several million dollars' worth of savings from the ongoing loss of staff in addition to the savings generated by recruiting less experienced teachers. The numbers involved in the Program will average 20 per year to a total of 60 over the three years of the Program. The age 45 limit has now been removed on the grounds that it was discriminatory.

ACT Anti Discrimination Commission Rosemary Follett has advised the Union that it would be difficult to apply indirect methods of discrimination, for example, years of experience without effecting a challenge from disgruntled failed applicants.

The Union expects that despite the lower payout on offer there will be many more applications for a Teacher Renewal Program than will be available. In fact, in the Union's view, because it is associated with staff cuts and is being offered in such limited numbers the Program itself will have a negative impact on teacher morale and therefore productivity.

While the Union has argued annually for a Teacher Renewal Program it has been on the basis such a Program be along the 1993 lines and not involve staff cuts, reduced benefits and small numbers.

Our current Enterprise Bargaining Agreement allowed for a limited program (20 places at \$20,000) in 1998. It was of minimal benefit to the system.

To maximise the system's chances of providing for qualified experienced teachers in classrooms and promotion positions in the next five years, it is

essential the system offers in a highly competitive developing market, reasonable levels of remuneration and job security.

We have indicated to the Chief Minister we will support a worthwhile Teacher Renewal Program, the Chief Minister has indicated to us that while she is prepared consider axing this program overall, she would retain the staff cuts to senior secondary colleges as a windfall gain.

The current EBA for the AEU in the ACT will expire on 1 July. We intend to pursue a more comprehensive Teacher Renewal Program to suit the needs of individuals, the teaching service and the education system in future negotiations.

It is not a question of devaluing the work of older more experienced teachers but of seeking to address the looming shortage that will develop over the next five years as teachers access early retirement.

Twenty years of Government cutbacks at both the Federal and State level have made the profession unattractive to graduates as a career. Such is the state of morale in our system and the sense of their being devalued many teachers see such a Program as one way of actually holding significant reserve of staff who are willing to work on casual, part time or short term contract.

By expanding opportunities for permanent employment in the ACT through a worthwhile Teacher Renewal Program, the ACT would have some hope of attracting staff in the face of interstate competition. This would be despite the recent undermining of superannuation entitlements for new employees and the refusal to provide for salary increases without trade-offs under the a new Enterprise Agreement.

The AEU was disappointed by the failure of the media and public comment about the current scheme to recognise the failings of the Government's proposed scheme and the focus on the proposal as a discriminatory exercise. A properly constructed Teacher Renewal Program has positive aspects for all players in the educational system and should be seriously considered provided it is properly funded, with adequate numbers and does not involve reductions in permanent employment.

I trust that the Committee finds this advice helpful and I wish you well in your endeavours.

Yours sincerely

CLIVE HAGGAR
President