

Media Release
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Proposed Tasmanian public service cuts: Bad for business

Tasmanian business is becoming increasingly uneasy about the state government's plans to axe around 2,000 public service jobs.

The Centre for Tasmanian Industry (CTI) – which provides support services and advice to Tasmanian employers - says business is worried by the prospect of large numbers of redundancies in the public sector.

“The Tasmanian economy is already very fragile, and the likelihood of large scale redundancies in the public sector will have the effect of suppressing business activity across a wide range of sectors,” said Dixie Emmerton, Managing Director of CTI.

“We need to remember that our public servants invest in our economy too, by buying homes, cars, food, and other commodities.

“We don't believe the state government has thought through the consequences of its plans. Our members are nervous that just the threat of so many redundancies in the public sector is undermining community confidence and therefore spending habits.

“It has the potential to establish a vicious cycle with business putting on hold its own plans for expansion.”

The CTI says that Tasmania is a small state where the public sector is a major employer. “Members of the CTI are concerned that a cut in the public payroll will affect Government services, discretionary spending, and consumer confidence.

“Tasmanian business owners are already facing challenging times, and many of them are consolidating their own structures to trim costs. The last thing they need is a consumer spending strike because of uncertainty and lack of community confidence.

“Business is also concerned that the redundancy scheme being considered by the Government is a quick fix plan which will ultimately cost more than it will save while affecting services across the board.

“As a small state, Tasmania cannot afford to pay for expensive redundancies. As it contemplates cutting numbers, the Government should be looking at each department on its merits and evaluating its service levels before determining the best options to achieve the best outcomes. Not until the government has followed a proper process, in consultation with employees and unions, should it determine how to proceed with job shedding,

“This does not appear to be occurring. The Government’s urgent priority appears to be to cut public sector jobs, without at the same time having a coherent long term plan on the provision of services to the community.”

ENDS

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Regards

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