# Teacher salaries analysis: Overtime and 'separation' savings

## UNPAID OVERTIME

AEU research* into workloads found its members worked on average 55 hours a week. Teachers are paid for 35 hours a week on-site attendance. However, they are working, on average, an additional 20 hours each week which is 157% of the hours for which they are employed.

The average salary of a Tasmanian teacher in public education is $71,500. If we multiply the excess hours (57%) by the number of teaching staff 4,891 (*Department of Education 2012-13 Annual Report*) we obtain an approximate of the savings enjoyed by the Department.

Excess hours (0.57) X average salary ($71,500) X teaching staff (4,891) = **$199,332,705**

- **Total unpaid overtime = $200 million (approx.) annually**.

## 'SEPARATION' SAVINGS

Each year separations (retirements and resignations) from the Department of Education (DoE) result in the recruitment of less senior, and therefore less expensive, employees.

More than 50% of the public sector teaching workforce is at the top of the incremental scale or in promoted positions and their average age is 50.

In Tasmania's aging teacher workforce, senior staff retiring are being replaced by less expensive employees and the DoE makes significant savings on salaries. The age profile of the teaching service means that this trend is growing and that the DoE is making salary savings significantly larger than was the case five or ten years ago.

We estimate the **DoE will save in the region of $20 million to $25 million dollars in the next three years**, which is significantly over and above the average of the past decade.

## Savings over the next three years

The following is an estimation of the total savings over the next three years.
The AEU estimates that over the next three years, an average of 68 teachers (*AEU estimate as DoE has not supplied figures*) aged 30 to 49 will leave teaching each year.

In that time, the Department estimates that, on average, 235 teachers aged between 50 and 70 will leave teaching per annum in the next three years.

- 303 teachers resigning/retiring each year, over three years, **saves $51 million**

## How is $51 million of savings calculated?

When teachers at the top, or near top, of the salary scale leave, replacing them with first year teachers would save approximately $30,000 for each replacement in the first year, with on-going savings for the next five or six years.

**Furthermore, over:**
- **three years** – the savings achieved by replacing one teacher at the top of the scale with a first year teacher would be **at least $81,000**

- **two years** – the savings achieved by replacing one teacher at the top of the scale with a first year teacher would be **at least $57,000**

- **one year** – the savings achieved by replacing one teacher at the top of the scale with a first year teacher would be **at least $30,000**

Savings assume resignations of 303 teachers and are:
- In three years 303 X $80,000 = $24,240,000
- In two years 303 X $57,000 = $17,271,000
- In just one year 303 X $30,000 = $9,090,000

Projected 303 resignations/retirements per annum, for three years, deliver savings of **$50,601,000**

# WINDFALL SAVINGS

Over the next three years, on estimates of 303 retirements/resignations annually, the state government will reap **$20-25 million in windfall savings.**

* *Teacher workload overload – a snapshot*, AEU October 2013.