

**SENATE STANDING COMMITTEE ON
FINANCE AND PUBLIC
ADMINISTRATION**

REFERENCES COMMITTEE

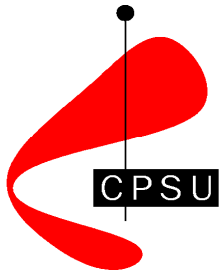
**Reform of Australian Government
Administration**

SUBMISSION

SUBMISSION NUMBER: 5

SUBMITTER

Community and Public Sector Union (CPSU)



Community & Public Sector Union

Nadine Flood • National Secretary

6 August, 2010

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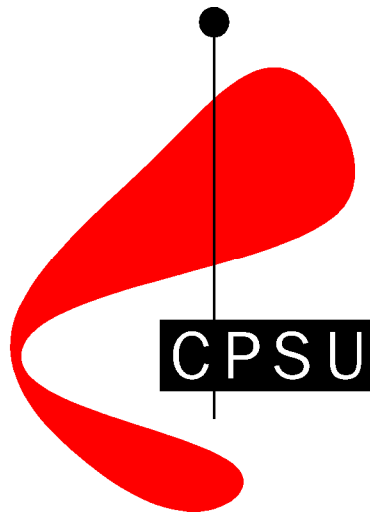
Dear Ms McDonald

Inquiry into Reform of Australian Government Administration

Please find attached a submission from the Community and Public Sector Union (PSU Group) to the Senate Inquiry into *Reform of Australian Government Administration*.

Yours sincerely

Nadine Flood
CPSU National Secretary



CPSU (PSU Group) Submission:

**Reform of Australian Government
Administration**

**Senate Finance and Public
Administration Committee**

August 2010

Summary of Recommendations

Reform 1 – Delivering better services for citizens

Recommendation: That there is improved recognition of employees and their unions as primary stakeholders in change processes and adequate time and resources be made available for employees and unions to consider any proposals to reform service delivery and be involved in consultation and collaboration.

Recommendation: That all industrial issues arising out of service delivery reform are subject to negotiation between relevant agencies, employees and their unions.

Recommendation: That adequate funding and resources are given to agencies to implement the whole of government service delivery strategy and to properly train employees on any changes to work processes, programs and policies.

Recommendation: The issues of access to technology and maintaining rural and regional office locations should be included in any public consultation processes.

Recommendation: That this reform process commit to maintain current levels of services within the government service delivery network.

Recommendation: That the reform process builds on the APS's current capacity to deliver services which are responsive to local circumstances and deliver integrated case coordination.

Reform 4 – Reinvigorating strategic leadership

Recommendation: The APS Values should not be weakened by any revision. Consultation, including on draft revised values, is to occur with employees and their unions.

Recommendation: That the APSC engage with employees, unions and stakeholders to ensure APS Values are embedded in a positive way in APS workplaces.

Reform 6 – Clarifying and aligning employment conditions

Recommendation: That the Government should adopt a single APS agreement as the model for APS bargaining from 2011.

Recommendation: That industrial parties commence detailed negotiations about APS bargaining processes as a matter of urgency.

Recommendation: That the Government commit to negotiate service-wide pay, conditions and employment matters with the CPSU and other relevant unions.

Recommendation: APS bargaining in 2011 must deliver:

- a real pay increase and mechanism to achieve pay equity;
- core conditions and common standards;
- career public service and job security; and
- full and consistent recognition of rights to representation for APS employees

Reform 7 – Strengthening the workforce

Recommendation: That the APSC engage in early consultation with the CPSU and employees to develop a Human Capital Priority Plan.

Recommendation: That APS-wide work level standards be developed through consultation with employees and their union to ensure greater consistency across the service.

Recommendation: That resources be deployed across the APS to ensure learning and development goals of the Blueprint are met with a mandatory agency allocation for this purpose.

Recommendation: That a common performance framework, with a clear link to learning and development, be negotiated and included in new industrial arrangements established in 2011.

Recommendation: That common guideline for dealing with underperformance be negotiated and included in new industrial arrangements established in 2011.

Reform 9 – Improving agency efficiency

Recommendation: That centralised procurement and a reduction in contracting out are implemented to improve agency efficiency.

Recommendation: That an open, transparent review of agency efficiency be undertaken, involving employees and their union. The review must focus on investigating a range of alternatives for measuring agency efficiency and identify measures that allow APS agencies to most efficiently and effectively deliver government services and develop public policy.

Recommendation: That, in appropriate circumstances, agencies within a portfolio act collectively for all purposes related to bargaining.

Introduction

The PSU Group of the Community and Public Sector Union (CPSU) is an active and progressive union with approximately 55,000 members. The CPSU represents employees in a number of industries and is the major union in the Australian Public Service (APS).

APS employees work in a very broad range of fields – from airports and defence bases, to delivering services to the community all around Australia; from developing and delivering social and economic policy, to representing Australian interests overseas and maintaining Australian cultural institutions and heritage. Employees in the APS undertake essential duties in the public interest and for the Australian people.

The APS is one of the most successful and professional public services in the world. APS employees are committed to their jobs and serving the government of the day and the Australian people. This commitment was demonstrated by the APS response at the height of the Victorian bushfire disaster and during the global financial crisis.

The APS does, however, face a number of key strategic challenges in terms of how it meets emerging policy issues and delivers services to the Australian community. These challenges have led to a growing focus and debate around the need for public sector reform. Reform of the public sector is, of course, not a goal in itself. Public sector reform must improve the way in which the public interacts with the APS. To achieve this, the APS must be a model employer; Job security, better jobs and rewarding careers in the APS will enhance the capacity of the APS to develop public policy that improves people's lives and delivers essential services to the Australian community.

The 'Blueprint for the Reform of the Australian Government Administration' (Blueprint) provides a broad ranging and ambitious reform plan for the APS. These reforms seek to reinvigorate the architecture of the APS by improving the operational, financial and employment frameworks within which it operates and go to the heart of the way the APS interacts with the community. While not supporting every recommendation in the Blueprint, the CPSU broadly welcomes the Government's commitment to public sector reform and shares its view of the importance of a strong public service delivering essential services to the Australian community.

The employees of the APS are integral to the implementation of the Blueprint's reforms. As the Blueprint states:

Ultimately it is people, not systems, who produce excellence and drive change. And it is our own people who will make the Australian Public Service what it legitimately aspires to be: the best public service in the world.¹

Throughout the implementation process, the Government and APS leadership must engage with APS employees and their union, learn from their experiences and work with them to build a stronger, more unified APS that provides job security, better jobs

¹ Advisory Group on Reform of Australian Government Administration, 'Ahead of the Game: Blueprint for the Reform of Australian Government Administration', March 2010 available at http://www.dpmc.gov.au/publications/aga_reform/aga_reform_blueprint/index.cfm (accessed 23 July 2010) p. v

and rewarding careers to deliver the highest level of public services and policy advice.

Reform 1 – Delivering better services for citizens

The first set of reforms in the Blueprint are directed at delivering better services for citizens. The CPSU broadly supports the goal of improving service delivery for citizens and notes that the way in which services currently delivered by APS employees across Australia is of an extremely high standard and quality and this reform process should build upon this existing success.

1.1 Simplify Australian Government services for citizens

- Simplify and align Australian Government service delivery
- Implement simplified citizen focused service delivery with automated and simplified business processes.

Simplifying and streamlining business processes, if done properly, will benefit both APS employees and the wider Australian community. Simplification of service delivery to improve access is, however, not the same as rationalisation. The reform process should not be used as a way to reduce staff or resources. A result which saw the staffing or resource allocation for service delivery reduce would actually be detrimental to the goal of improving service delivery. Rather the focus should be on ensuring that the processes and results enable employees to do their job effectively and improve access from the perspective of the end user.

Consultation

The design of simplified service delivery and business processes should involve APS employees, their union and citizens. APS employees working in service delivery work with these systems on a daily basis and are best placed to provide advice on design and assist with implementation. Similarly, end users of these services can provide insights into their experiences with the current service delivery systems. To that end, the governments commitment to undertake consultation with employees and their union in the development of a whole of government service delivery strategy is crucial.

In our experience, this kind of engagement of can be highly effective. In April 2009 the CPSU hosted a Human Services Roundtable bringing together senior representatives from Centrelink, Medicare, Child Support and CRS Australia, frontline staff and representatives from the community sector to discuss the issues facing service delivery and ways to make service delivery more effective and efficient for both employees and citizens. The Roundtable was very successful and the ideas developed by the group were presented to the then Minister for Human Services, Senator the Hon. Joe Ludwig. These ideas have influenced reforms in those agencies.

For any consultation and collaboration to be effective, there must be greater recognition of the importance of employees and their unions as primary stakeholders, and all parties must be committed to genuine, open and transparent discussion prior to decisions being made on implementation strategies of government policy. Further, adequate time and resources must be made available to employees and their union to fully consider and comment on any proposals. A commitment to consultation and

collaboration is a key first step in implementing the proposed reforms and achieving the stated aims of the Blueprint.

Recommendation: *That there is improved recognition of employees and their unions as primary stakeholders in change processes and adequate time and resources be made available for employees and unions to consider any proposals to reform service delivery and be involved in consultation and collaboration.*

Industrial issues

It is worth noting that significant progress has already been made on Service Delivery Reform in the Department of Human Services (DHS) agencies of Centrelink, Medicare and the Child Support Agency. The CPSU and its members have been working with the affected agencies to deliver the reform process since 2009. The reform process has already seen commencement of the implementation of the co-location of a number of Medicare and Centrelink locations around the country with at least 20 co-locations scheduled to occur by the end of 2010.

Our experience through the Service Delivery Reform process in DHS agencies thus far is that moving to integrated service delivery raises a range of industrial matters. Changing business processes has the capacity to change the actual work employees are undertaking and the manner in which it is delivered to citizens. Similarly, aligning service delivery will require greater collaboration and consistency of work practices between service delivery agencies. These changes raise questions about wages and conditions, job classification, job design and occupational health and safety. For example Centrelink and Medicare employees are increasingly being asked to work together in the same office doing similar work; however they are paid different wages with different hours of work and other conditions. In addition, co-location raises certain occupational health and safety risks that need to be appropriately managed. For example, Centrelink offices have to manage the risk of aggressive clients which Medicare has not previously faced. Where co-location occurs this risk is greater as Medicare offices carry cash.

For the 42,000 APS employees working in Human Service delivery agencies around the country, the implementation of the Blueprint's recommendations have the capacity to affect all aspects of their current employment. These are legitimate industrial issues that must be properly addressed by Government as it introduces further reforms in this area. To properly address these issues requires time, resources and engagement with APS employees and their unions.

Recommendation: *That all industrial issues arising out of service delivery reform are subject to negotiation between relevant agencies, employees and their unions.*

Funding

The provision of adequate funding for the reform of service delivery is integral. The experience of the arbitrary budget cuts such as the current efficiency dividend is an immediate impact on the training and development of staff. This has specific consequences for the capacity to grow the skills within the APS and an immediate impact on the ability of staff to deliver essential services to the Australian community.

The current model of funding for the core Centrelink programs such as Newstart are counter cyclical and currently linked to unemployment numbers. This model produces variations in staffing numbers each financial year and regularly result in redundancies

for ongoing employees despite the use of non-ongoing employees to meet peak work flows. There would be significant benefit in moving to a funding structure which allows for a base level of staffing to be established for these essential programs. This would provide a greater emphasis on ongoing employees and remove the requirement for the annual staffing adjustments to result in redundancies.

In addition to funding for agencies to implement the reforms, there also needs to be adequate funding made available to agencies to provide education and training to staff on the changes to their work and to the processes, programs and policies.

Recommendation: *That adequate funding and resources are given to agencies to implement the whole of government service delivery strategy and to properly train employees on any changes to work processes, programs and policies.*

Technology

The Blueprint indicates that technology will be vital in implementing this recommendation, with proposed actions including the sharing of data, the use of online forms and common registration for programs and services. However, as the Gershon Report² noted, there are issues with the capability of government ICT systems and processes. ICT systems are not necessarily compatible between or even within agencies. This poses a major obstacle to agencies working '*more collaboratively in the design and implementation of services across government*'. These issues need to be addressed before the alignment and simplification of service delivery can occur.

Additionally, there are concerns about how the proposed data sharing and central collection of information interacts with existing privacy and secrecy laws, as well individual agency policies and procedures for collecting and using personal information. The current Senate inquiry into the adequacy of protections of the privacy of Australians online is considering these issues and this the reform process should consider how any recommendations from the Senate inquiry can/should be incorporated into service delivery reform.

The Blueprint refers heavily to '*making better use of technology*' and providing more services in an online format. The CPSU supports the expansion of agency ICT capability; however the introduction of greater online capabilities should not result in a reduction of face to face service delivery roles. It is important to note that often the most marginalised and vulnerable citizens do not have access to or knowledge of the technology that would allow them to utilise online service delivery.

The Blueprint reform process must ensure that the government, through service delivery agencies, maintains a significant presence across Australia. The APS must continue to service a range of rural and remote areas. To achieve this the APS must continue to provide quality, permanent full time employment in areas where employment options are limited. A fully centralised and online approach to whole of government service delivery will not result in better or simplified service and access for all citizens.

² Gershon P (2008), 'Review of the Australian Government's Use of Information and Communication Technology', p. 48-49 available at <http://www.finance.gov.au/publications/ICT-Review/index.html>, accessed on 23 July 2010.

Recommendation: *The issues of access to technology and maintaining rural and regional office locations should be included in any public consultation processes.*

1.2 Develop better ways to deliver services through the community and private sectors

- Provide greater flexibility to respond to local circumstances in service delivery through the community and private sectors
- Provide simplified funding arrangements
- Develop integrated case coordination for citizens and their families with complex needs in particular locations.

It is appropriate that public services delivered to citizens are delivered by the Australian Public Service. These services are the government's responsibility, it has not proven effective or efficient in the past to privatise or outsource government services. Nor does outsourcing provide any guarantee that the services provided to citizens will be of a higher standard or more cost effective. Indeed it is only when services are delivered through the public sector that accountability can be guaranteed, and that equity of access and transparency can be measured and assured. Service delivery through the community or private sector often lacks this level of accountability, meaning that equity and transparency cannot be assured. In some circumstances this results in those most marginalised in our community missing out on important services or the full quality of a service because the success of service delivery is measured by the number of clients served rather than the quality of that service for the client. Moving public sector jobs from the APS to the private or community sectors also often has the impact of replacing good quality service delivery jobs for women, with jobs that provide only minimum award wages, poor job security and minimum superannuation. Issues being resolved through the current pay equity case seeking to address the significant gender pay gap between the social and community services sector and the public sector have arisen because of the shifting of jobs from the public to the private sphere.

Recommendation: *That this reform process commit to maintain current levels of services within the government service delivery network.*

1.4 Reduce unnecessary business regulatory burden

- Extend the Standard Business Reporting (SBR) functionality (due for release in July 2010), to ease the regulatory burden imposed by government on business.
- Minimise reporting and compliance requirements for business and remove unnecessary or poorly designed regulation.

The Blueprint's goal of minimising reporting and compliance requirements is at odds with the objective of imposing accountability and guaranteeing certain levels of access and service when non-government entities are involved in service delivery. In order to serve the interests of Australian citizens, if services are to be delivered through the community or private sector, then certain reporting and compliance standards are necessary.

Making it simpler for providers to receive funding can have the unfortunate consequence of making monitoring outcomes and reporting data more difficult and

complex for the public sector. Any changes to the current funding models must involve extensive consultation prior to any implementation to ensure that the balance between simplification for the private sector and monitoring and reporting for the public sector is achieved.

The flexibility to respond to local circumstances is incredibly important and this capability already exists within the public sector. The response by a range of government agencies following the 2009 Victorian Bushfires was swift and demonstrated the depth of skill and experience that exists within the APS. This capability should be expanded and developed further rather than outsourced to the community or private sectors.

The same is true for integrated case coordination; the public sector already has the capability and experience to deliver integrated case coordination. The work across several agencies in the Northern Territory Emergency Response and the increasing exchange of information between the Department of Human Services agencies is evidence that the public sector can effectively and efficiently deliver these types of programs and outcomes.

In our view, the APS has the flexibility to respond to local circumstances and is best positioned to deliver integrated case coordination. Through this reform process, the APS should increase this capacity.

Recommendation: *That the reform process builds on the APS's current capacity to deliver services which are responsive to local circumstances and deliver integrated case coordination.*

Reform 4 – Reinvigorating strategic leadership

The development of strategic leadership and reinvigoration of APS Values must encompass all APS employees. To be successful there needs to be cultural change in agencies and a process that engages all APS employees.

4.1 Revise and embed the APS Values

- Revise the APS Values to a smaller set of core values that are meaningful, memorable and effective in driving change.
- Embed the revised values into the work of the APS through senior leadership and learning and development and performance management frameworks.

Revising the APS Values

The CPSU supports a strong, values-based APS and the APS Values in the *Public Service Act* have an important role to play in setting standards and a vision for the APS and its operations. The APS is best unified by a single set of values. Some agencies including the Department of Defence and Department of Treasury have developed agency-specific values. Where agencies develop their own values it undermines the role and importance of APS Values and entrenches a 'silo' mentality. The existence of both service-wide and agency-specific values also leads to confusion over the interaction between the different values and has the potential for some to be given greater emphasis to the detriment of others. There should be a single set of APS values covering all APS employees that is read and applied consistently.³

Careful consideration needs to be given to any revision of the APS Values to ensure they are not watered down. The CPSU would not support amendments which removed values currently encapsulated in s10 (1) of the *Public Service Act*, or a revision which undermined important concepts such as merit-based employment, fairness, consultation, equity and review.

Progress on the revision of the APS Values is already underway, with the APSC initiating consultation with the CPSU and stakeholders following the release of a discussion paper in June 2010. The CPSU welcomes the consultative process undertaken to date and believes it is appropriate that this approach continue, including with the release of any draft revised values.

Recommendation: *The APS Values should not be weakened by any revision. Consultation, including on draft revised values, is to occur with employees and their unions.*

³ See the concept of indivisibility of human rights: Vienna Declaration and Programme of Action of the World Conference on Human Rights, 14-25 June 1993, Vienna, Austria at [5] available at <http://www2.ohchr.org/english/law/vienna.htm> last accessed 27 July 2010

The Blueprint suggests a number of qualities as a starting point for streamlined values. The qualities of accountability, frank-impartial and non-partisan, results-oriented, ethical and merit-based employment are already present in some form within the current APS Values. However, the current values could benefit from more cogent and concise articulation of these principles. This could include:

- The quality of accountability should be reflected alongside the value of transparency, which underpins many of the APS Values. This value is worthy of clear articulation in any revised APS values alongside accountability.
- The renewed focus upon 'frank and fearless advice', to some degree captured by value s10 (1)(f), is positive. This value goes to the heart of a non-partisan, apolitical, professional and transparent public service. A clearer articulation of this concept would emphasize its significance.
- The importance of the merit principle in APS employment is reflected currently in two APS Values, s10 (1)(b) and (m), and must be maintained in any reformulation.

The recommendation that policy makers should consider human rights as part of policy development and this should form part of APS Values is important. Principles of ethical treatment and human rights can drive cultural change and embed a strategic and critical approach to policy formulation and implementation. The current APS values, such as s10 (1)(d), could be meaningfully expanded upon to incorporate human rights. It is appropriate that these considerations guide, underpin and inform the actions and policy decisions of the APS. There must, however, be clarity about how human rights issues interact with other policy objectives. Our understanding of human rights is constantly evolving. Therefore, to give effect to this value there must be ongoing training for APS employees and clear guidance on how these issues are to be weighed up and determined.

Embedding the APS Values

Equally important as any legislative change, is the employees' real experience of these values and how they are to be embedded in a positive way in the workplace. The embedding of streamlined values to achieve a more unified, flexible and excellence driven APS needs to redress the perception among some APS employees the APS Values are only used to sanction employees.

An alleged breach of the APS Values accounted for more Code of Conduct investigations than any other reason in 2008-2009.⁴ Of course, where there has been a failure to uphold the APS Values, it is appropriate, consistent with the provisions of the *Public Service Act*, that this be investigated. However, employees need to experience the APS Values as a guiding principle in all of their work and the work of those around them, including senior managers, rather than just a reason for punitive action.

The State of the Service Report found that only a half of employees are satisfied with their agency's culture.⁵ The APS Values should be embedded in agency operations and thereby driving positive agency culture. Clearly this finding suggests this is not happening. The APS Values will not be an effective way of establishing and

⁴ Australian Public Service Commission, *State of the Service Report 2008-2009* p.168 available at <http://www.apsc.gov.au/stateoftheservice/0809/report.pdf> accessed 23 July 2010

⁵ *ibid* p.99

invigorating leadership unless they form part of employees' everyday experience in the workplace and drive agency culture, rather than merely driving misconduct proceedings.

In implementing this recommendation, the APSC should engage with stakeholders to ensure that APS Values are embedded in a positive way in APS workplaces.

Recommendation: *That the APSC engage with employees, unions and stakeholders to ensure APS Values are embedded in a positive way in APS workplaces.*

Reform 6 – Clarifying and aligning employment conditions

Reform 6 aims to build a more united APS by providing greater consistency in employment arrangements and conditions. The Australian community is best served by a unified APS with a unified workforce. Bargaining arrangements that deliver common wages and conditions, commensurate with the APS goal of employing the best and the brightest, would support a unified and strong APS and would assist redressing the widely acknowledged skills shortages in the APS.

6.1 Ensure employment bargaining arrangements support one APS

- Strengthen the Australian Government Employment Bargaining Framework to ensure that it supports one APS effective in driving change.
- Identify areas where a further streamlining of existing APS bargaining arrangement would better support one APS.
- Examine the extent to which existing APS classification arrangements and work level standards continue to meet the needs of APS agencies and employees.
- Provide APS employees with appropriate career paths.

Current bargaining arrangements

As the major union in the APS, the CPSU has substantial experience in the current APS bargaining system. The current system of agency-based bargaining does not support one APS. Indeed it fragments the public service, with agencies treated as separate competing businesses. The unity of the APS undermined by the process of agency bargaining, which devolves decision-making, and its results, which sees APS employees remunerated differently for work at the same classification level.

The current bargaining system is fundamentally flawed – it is both inequitable and inefficient.

Under the current arrangements:

- After more than a decade of agency-based bargaining, we have a fragmented public service riddled with inequities in pay and conditions. This means that in the APS there are now approximately 100 agreements with 750 different pay points. Work at the same classification level is remunerated differently depending on the agency in which employees are engaged with wage differences of \$10-15,000 being common.
- Each agency has to engage in a bargaining process for wages and conditions, meaning agencies with as few as 20 employees have to go through a process to develop their own agency agreement, while agencies with more than 20,000 employees are able to function with a single agreement.
- Under the current system, agencies are not fully funded for wages and conditions. The CPSU estimates that Commonwealth Budget supplementation for wage increases has generally been around half the rate

of CPI. Funding to wage increases has averaged at around 1.25% pa, while APS wages growth have been much higher – agreements made since late 2009 have included 3% pa pay increases. This has meant that agencies with access to better funding arrangements are able to provide better wages and conditions. The relative importance given to a particular agency according to the political priorities of the Government at the time determines its access to funding arrangements. Over time this has had a serious impact on pay equity as outlined below.

- Decentralised bargaining has also exacerbated pay equity issues in the APS. Women in the APS are more likely to be lower paid, with female dominated agencies (predominantly in social policy, community service delivery and cultural agencies), achieving lower pay and conditions outcomes than male dominated agencies (mostly in economic policy, revenue and national security agencies). For example Centrelink, which has the largest number of female employees over 19,500 or 70% of its workforce, pays below the APS average at every classification level. It is notable that this result holds for employees doing highly similar work in different Agencies.
- Decentralised bargaining has also delivered poor results for Aboriginal and Torres Strait Islander employees who are now some of the lowest paid APS workers. For example, the three agencies with the highest proportion of Aboriginal or Torres Strait Islander employees are behind the APS average at every classification level, except one (Aboriginal Hostels Limited with 84.2% of Aboriginal or Torres Strait Islander employees, Torres Strait Regional Authority with 64.9% and AIATSIS with 20.9%). A significant factor in this was these agencies inability to attract new funding under the previous long-standing Federal Government, meaning that they fell behind after more than a decade of agency bargaining.

APS bargaining arrangements should support a unified APS by providing common wages, core conditions and job security. This will reduce barriers to mobility, be more efficient and equitable. APS bargaining outcomes should also be appropriately funded, with funding for full wage supplementation.

In implementing new bargaining arrangements, consideration must be given to:

- models for APS bargaining;
- the process by which new bargaining arrangements are to be established; and
- the kind of bargaining outcomes that will better support one APS.

Models for APS bargaining

This goal, of providing common wages and core conditions in a more efficient manner, could be achieved under various different models. Any model will need to be able to provide for negotiated common standards, and also allow for flexibility at an agency/portfolio level to provide conditions specific to that agency/portfolio or matters dealt with centrally. Bargaining arrangements in other public sector jurisdictions in Australia allow for both service-wide and agency-specific matters, it is therefore instructive to consider models used elsewhere.

One way to achieve the goal of better supporting one APS would be to establish a single APS agreement. Under this model, service-wide matters would be dealt with in a core which would apply to all APS employees, and this would be supported by agency/portfolio specific schedules, which would apply only to employees in that

agency or portfolio. Such an arrangement is consistent with what is used in the Victorian Public Service.

Alternatively, the goal could also be achieved by a model of agency-based bargaining with a negotiated core component. Under this model, service-wide matters would be negotiated centrally, and then agencies/portfolios would negotiate additional matters. Agreements would continue to be made at the agency level; however greater consistency in terms of wages and conditions would be achieved by virtue of the centrally negotiated core. This kind of bargaining arrangement is used in the ACT Public Service.

On balance, the CPSU's preferred model is a single APS agreement. This model would be best suited to achieving the goal of providing common wages and conditions that support one APS.

Recommendation: *The Government should adopt a single APS agreement as the model for APS bargaining from 2011.*

Establishing new bargaining arrangements

Establishing new bargaining arrangements in the APS will require widespread consultation and negotiation with APS employees and the relevant unions. The Blueprint indicates that the Government will be seeking to have a new bargaining system established by March 2011. Over 60 APS enterprise agreements have a common expiry date of 30 June 2011 and a number of others expire close to that date, which puts further pressure on this timeframe.

It is imperative that parties commence detailed negotiations about the future of APS bargaining as a matter of urgency. It is also imperative that APS employees and their union are involved throughout this process and this is properly facilitated by Government.

Recommendation: *Industrial parties commence detailed negotiations about APS bargaining processes as a matter of urgency.*

The wages and conditions disparities in the APS have arisen after more than a decade of agency-bargaining. Experience in other jurisdictions indicates that re-establishing appropriate standards can take some time. For example in the early 2000s the ACT Public Service moved from a bargaining system based on agency and workplace level bargaining to a more streamlined structure. Through a series of short agreements at the service-wide level wages and progressively conditions were included in the core, with each subsequent core agreement expanding the number of matters it contained. Over time, this has allowed ACT Public Service conditions to be standardised without detriment to employees.

In either model it is imperative that all wages, conditions and employment matters are subject to a negotiation process. The Government should centrally negotiate with the CPSU and other relevant unions about service-wide pay, conditions and employment matters and, at an agency/portfolio level negotiate about matters not settled at the service wide level. This is consistent with the rights afforded to employees under the *Fair Work Act* to collectively bargain with their employer. This right to negotiate is not afforded to APS employees under the current system, as certain employment matters are determined unilaterally by Government through the Australian Government

Employment Bargaining Framework without negotiation including the 3% cap on wage increases and the model flexibility term⁶.

There are significant productivity gains to be made from moving to a whole of service agreement: not only will employees gain mobility across the service and silos will be broken down, but there are significant gains to be made from decreasing recruitment and training costs for agencies that currently have high staff turnover. A whole of service agreement provides employees with quality jobs and meaningful career paths.

It must be noted that a significant part of the APS workforce is currently undergoing a process of streamlining of wages and working conditions with the alignment of Human Services agencies. This alignment will result in a quarter of the APS having common pay and conditions.

Recommendation: *That the Government commit to negotiate service-wide pay, conditions and employment matters with the CPSU and other relevant unions.*

Bargaining outcomes that better support one APS

It is also important to consider the bargaining outcomes that would better support one APS. The CPSU believes that bargaining would better support one APS if it delivered common wages and core conditions. Substantial progress on this goal of common wages and conditions should be made in 2011.

In our view this would include:

Pay equity and real pay increase

All APS employees must receive a real pay increase and, if necessary, back pay. The bargaining process must ensure that employees are not disadvantaged.

Current pay inequities must be addressed and there must be an agreed mechanism to achieve equal pay for work of equal value across the APS.

Core conditions & common standards

Agreed common APS conditions, such as superannuation, parental leave, redundancy and workers compensation coverage for journey and recess breaks, are to be protected in a core standard applying to all APS employees.

Other matters are to be negotiated at an agency/portfolio level.

Career public service & job security

The APS should be a career-based public service providing job security and ongoing employment. The APS classification structure must properly recognise the wide variety of roles performed in the APS, including

⁶ This includes provisions around redundancy entitlements, a de facto 3% pay cap on wage rises and mandated dispute settlement, consultation and flexibility terms.

professional occupations. There should be open and transparent employment process based on merit.

All APS employees should have an entitlement to learning and development opportunities to facilitate career development. Performance management should support employees in their current jobs and future careers and be fair, transparent and effective.

How workplace relations work: Fair system for all

The Government must, in good faith, negotiate with the CPSU on all wages, conditions and employment matters, including service wide decisions affecting employees and the way bargaining takes place. Productivity generated across the APS should be recognised and shared between the community, government and employees.

All entitlements should be legally enforceable and there should be a fair and effective dispute settlement mechanism open to all APS employees. An employee's right to be represented and the role of union delegates should be recognised and facilitated.

Recommendation: APS bargaining in 2011 must deliver:

- *a real pay increase and a mechanism to achieve pay equity;*
- *core conditions and common standards;*
- *a career public service and job security; and*
- *full and consistent recognition of rights to representation for APS employees*

APS classifications and work level standards

The commitment in the Blueprint to review the APS classification arrangements and work level standards is important. The APS classification structure must reflect the full diversity of jobs in which APS employees are engaged, including professional groupings. It is appropriate that any changes to the classification arrangements and work level standards are the subject of consultation and negotiation between unions and stakeholders. Reviewing the classification structure and work level standards is a significant undertaking, so appropriate resources and time will need to be allocated to ensure any changes to the classification and work level standards are properly designed and implemented.

This is discussed in more detail in relation to Reform 7.1.

Reform 7 – Strengthening the workforce

7.1 Coordinate workforce planning

- Establish an APS-wide workforce planning framework.
- Develop a Human Capital Priority Plan that initially prioritises the reforms proposed in this Blueprint and over time will identify emerging systemic workforce issues.

The CPSU acknowledges that the implementation of the range of recommendations set out in the Blueprint will require oversight, coordination and strategic planning.

The APSC must have a significant role in developing a Human Capital Priority Plan and Human Capital Framework that will both drive and steer the reforms required to ensure that the Australian Public Service is able to “meet the tests of a new century and stay ahead of the game”.⁷

The APSC must enter into early consultation and negotiation with the CPSU to implement a strategy that will enable progress to be made on these reforms in 2010-2011.

Recommendation: *That the APSC engage in early consultation with the CPSU and employees to develop a Human Capital Priority Plan.*

An inherent requirement of a Human Capital Framework for the APS will be reviewing and reformulating the current APS classification structure⁸. The classification structure should be supported by appropriate work level standards that all APS agencies will be required to apply to each job and position within their agency. To facilitate this process and to ensure that each job is correctly classified in accordance with the service-wide Work Level Standards, benchmark positions for each classification level encompassed within the standards should be identified. Such an approach will address a concern commonly raised by CPSU members regarding real or perceived inconsistencies with the classification of jobs from APS agency to agency.

The development of service-wide work level standards could incorporate a range of distinct vocational streams. This would provide an opportunity to ensure that the different skill sets, for example, between technical and professional employees are appropriately valued.

Service-wide work level standards (attached to common terms and conditions across the APS) will also make assist in removing a significant barrier to mobility within the APS. APS employees will be better able to pursue careers in the broader APS

⁷ Advisory Group on Reform of Australian Government Administration, *Ahead of the Game: Blueprint for the Reform of Australian Government Administration*, ibid p. viii

⁸ Note that some agencies such as Defence have completed significant work reforming their classification structures. These processes will provide guidance for the review of APS classifications more broadly.

confident that the transfer, promotion or opportunity they are seeking falls within their skill set and/or career aspirations. The Australian Public Service Commission reports that as at June 2009, 68.4% of Executive Level 2 employees in the APS have only worked in one APS agency.⁹ This lack of mobility represents a significant impediment to the achievement of integrated/whole-of-service responses or initiatives.

Recommendation: *That APS-wide work level standards be developed through consultation with employees and their union to ensure greater consistency across the service.*

7.3 Expand and strengthen learning and development

- Identify core service-wide development needs.
- Endorse a principal of annual professional development for all APS employees.
- Deliver core learning and development programs that are centrally procured.
- Evaluate a range of courses and negotiate the best rates for the APS.

The CPSU acknowledges the Blueprint's recommendations that expand and strengthen the learning and development of Australian Government employees.

The Report notes that:

...capability gaps across the APS have been exacerbated by sporadic workforce planning and a lack of clarity about capability requirements¹⁰.

Sporadic workforce planning is the direct result of the devolution of employment and training matters to the Agency level over the last ten years. The Blueprint appropriately recommends a more centralised and coordinated approach to the learning and development of employees to achieve APS wide improvements.

Actions to expand and strengthen learning and development

The Blueprint cites two key actions required to give effect to Recommendation 7.3:

1. *Every APS employee should undertake learning and development every year aligned with their career goals and capability gaps identified in performance agreements.*

The CPSU welcomes the objective of providing every APS employee with the opportunity to undertake learning and development every year but notes that objective will only be achieved if this entitlement to undertake agreed training/professional development is contained within an enterprise, and properly funded.

It is recommended that the Government should:

⁹ Australian Public Service Commission, *State of the Service Report 2008-2009* ibid p. 71

¹⁰ Advisory Group on Reform of Australian Government Administration, *'Ahead of the Game: Blueprint for the Reform of Australian Government Administration'*, ibid p. 57

- provide sufficient resources in the budget for learning and development activities;
- require each Agency to allocate sufficient resources for learning and development¹¹; and
- require each Agency to establish an open and transparent process to ensure that all APS employees are entitled to access agreed learning and development opportunities each year.

The CPSU notes that learning and development is to be aligned with employees' career goals and capability gaps identified in performance agreements. The identification of 'career goals' and 'capability gaps' should be undertaken within the context of an APS wide classification structure which provides a transparent and accessible career path for employees and an incentive to undertake training. The development of a career path should include the CPSU to ensure that the interests of APS employees are incorporated.

Recommendation: *That resources be deployed across the APS to ensure learning and development goals of the Blueprint are met with a mandatory agency allocation for this purpose.*

2. *The APSC to develop an annual learning and development strategy encompassing four broad elements of learning and development including:*
 - *Skills training (for example, policy, program implementation, delivery and technical knowledge; and*
 - *Education (for example, PhD and masters scholarships).*

The CPSU supports the formulation of a service wide annual learning and development strategy and recommends the following to enhance its operation:

- The Advisory Board of Agency Heads and Secretaries charged with developing the annual strategy be developed should include participation of the CPSU to ensure that the interests of the employees are included in the planning and can assist in the practical application of such strategies;
- Each Agency should be required to produce an annual learning and development strategy within the context of the APS strategy. The strategy should be developed and its implementation overseen by agency representatives, employees and union representatives.

Implementation

Whilst the Blueprint recommends that the APSC take a lead agency role in the development of employees' skills and professional development, it leaves the responsibility for professional development programs and training (particularly in relation to skills training and education) to each APS agency to determine. The Blueprint notes that sporadic workforce planning in the past has resulted in capability

¹¹ The Blueprint notes that most private sector employees invest between 3% and 6% of payroll on employee development, whilst in the APS some 48% of Agencies report spending less than 1% of their annual budget on learning and development; *ibid* p. 24-26

gaps within Agencies. This is a direct result of previous government policy to devolve workplace relations (including learning and development) to Agencies rather than the collective requirements of the APS.

The APSC should be provided with increased and clearer power to ensure that Agencies play their part in expanding and strengthening learning and development, rather than continuing the current practice of allowing Agencies to determine their own strategies in isolation from the needs of the broader APS.

7.4 Strengthen the performance framework

- Introduce a performance framework that fosters a high performance culture.
- Provide performance management training for all SES employees and managers.
- Develop common APS-wide guidelines for dealing with underperformance.

The Blueprint's recommendation to provide proper performance management training, education and support to APS employees is important.

Current inconsistencies in performance management arrangements across the public service are a direct result of devolution of employment matters to the Agency level over the last ten years coupled with a lack of APS wide consistency on performance management matters.

The Blueprint cites three key actions to give effect to Recommendation 7.4:

1. *Introduce a performance framework that fosters a high performance culture*

The recommendation to introduce a standard performance framework to which agencies are required to adhere is of significance to APS employees and the CPSU. Given the importance of performance management to pay progression, permanent appointment, and potential link to promotion opportunities, any performance framework must be subject to genuine negotiation and included in industrial arrangements.

The attainment of outcomes is the proper focus of the performance of the APS and APS employees are genuinely committed to a high-performing public service. In order to facilitate a high performance culture, performance management processes must be fair, effective, and transparent, consistently applied and maintain a "no surprises" principle fostered by regular feedback between employees and managers. Performance management systems should also be based on the employee's work level standards and job description.

Consistent with this is the need to encourage a culture where performance management is not applied in a punitive manner. Performance management systems should be focussed on improving an employee's performance, not just a process which an agency has to go through prior to termination. Emphasis should also be placed on taking a collaborative approach to developing performance management processes. This extends from the development of a performance management framework to how that framework is applied at the agency level.

It is recommended that the Government should:

- Introduce a common performance framework that has been developed by consultation and negotiation with employees and their representatives.
- Introduce a requirement that the new performance framework forms part of any new industrial arrangements and instruments from 1 July 2011. The CPSU does not believe that it is necessary to make changes to *the Public Service Act 1999*.
- Provide a clear link between performance management and ongoing learning and career development.

Recommendation: *That a common performance framework, with a clear link to learning and development, be negotiated and included in new industrial arrangements established in 2011.*

2. Provide performance management training for all SES employees and managers

The CPSU supports the Blueprint's recommendation to provide performance management training to all SES and managers. All agencies have performance management systems and the *Public Service Act* explicitly allows action to be taken because of underperformance. Where current performance management processes in the APS do not work, it is often because they are poorly managed.

For performance management training to be effective it must be ongoing and provide managers with an understanding of the purpose of performance management.

The CPSU supports the development of a common set of guidelines for dealing with underperformance that are applied across the APS. As with other performance management processes, procedures for dealing with underperformance vary greatly across the APS.

In developing common APS – wide guidelines for dealing with underperformance the CPSU recommends that:

- The guidelines are developed and implemented following consultation and negotiation with APS employees and their representatives.
- The new guidelines should form part of any new industrial arrangements and instruments from 1 July 2011.
- The guidelines should provide a clear link between underperformance issues and the use of learning and development arrangements as a means to assist employees improve their performance.

Recommendation: *That common guidelines for dealing with underperformance be negotiated and included in new industrial arrangements established in 2011.*

Reform 9 – Improving agency efficiency

9.1 Review the measures of agency efficiency

- Review the current mechanisms used to drive agency efficiency

The primary mechanism to drive agency efficiency is the efficiency dividend. The efficiency dividend is not sustainable and undermines the ability of agencies to properly deliver policy and essential services.

It is without question that the public sector, which relies on public money, should use the most efficient and effective working practices available. Indeed the APS should be a leader in innovation and efficiency. The CPSU agrees that *...it is particularly important to drive efficiencies to increase productivity and to minimise the impost on taxpayers*¹².

Ironically, the use of the efficiency dividend as a funding mechanism has had the opposite effect – it is not productive, it is unsustainable, it encourages quick-fix solutions and severely undermines the capacity of agencies to innovate and deliver government policy.

Impact of the efficiency dividend on APS agencies

After more than two decades of such cuts many agencies, particularly smaller ones, are struggling to deliver their services. For such agencies there is, quite simply, no more efficiency to be found. In 2008, the Joint Committee on Public Accounts and Audit established an inquiry into the effects of the efficiency dividend into smaller public sector agencies. The Report, which was tabled in December 2008, found that:

*‘...many small agencies report that they are no longer able to find genuine efficiency savings. To meet the efficiency dividend requirement, many small agencies have resorted to reducing or discontinuing activities that they consider to be lower priority or discretionary’*¹³.

The Committee also identified a range of unintended consequences from the efficiency dividend which hampered the ability of agencies to deliver services. These included:

- agencies scaling down regional activities;
- disparities in pay rates between agencies;
- reduction in resources available to invest in innovation, which in turn affected an agency’s ability to find future productivity savings; and
- agencies being forced to cut services or pass on costs to meet the efficiency dividend.

¹² p. 67

¹³ Joint Committee on Public Accounts and Audit Report 413 ‘The efficiency dividend and small agencies: Size does matter’ Canberra (December 2008), p.3, available at <http://www.aph.gov.au/house/committee/jpaa/efficdiv/report/fullreport.pdf>, accessed on 23 July 2010.

The Committee made a range of recommendations addressing identified inadequacies in the way in which the efficiency dividend operates. The Committee's recommendations included:

- exempting the first \$50 million of all agencies' appropriations from the efficiency dividend or, as a minimum exempting the first \$50 million of the appropriations of all agencies with expenses of less than \$150 million (excluding departments of state);
- giving the Auditor-General and the Joint Committee on Public Accounts and Audit a role in determining funding for the Australian National Audit Office;
- establishing a parliamentary commission to recommend appropriate funding levels for parliamentary departments;
- developing a new funding model for cultural agencies;
- establishing an independent body to recommend funding levels for Commonwealth courts; and
- convening an APS taskforce to examine the impact of agency size and function on wage disparities generally and gender wage disparities specifically.

Unfortunately, very few of the recommendations of the Report were agreed to by Government.

Smaller public service agencies are however not alone in being detrimentally affected by the operation of the efficiency dividend. A number of larger agencies reported on the effects of the efficiency dividend in their own agency in Supplementary Budget Estimate hearings in late last year. This evidence included:

- The Attorney General's Department attributed its reduction of 59.14 FTE employees partially to the efficiency dividend.¹⁴
- The Department of Agriculture, Fisheries and Forestry has been forced to draw down its reserves in order to cope with efficiency dividend pressures.¹⁵
- During questioning about government ICT cost cutting, the Secretary of the Department of Finance described as 'reasonable' a comment that further cuts would be *a tough ask given that the federal IT departments had already contributed to the two per cent efficiency dividend required in the budget*.¹⁶

The Bureau of Meteorology provides an example on the debilitating effects of this funding approach on an important service provided by the public sector. In 2009 a parliamentary report into Australia's long-term meteorological forecasting system found evidence that resources cuts had lead to a decrease in qualified observational staff and significant gaps between weather stations across the country.¹⁷

¹⁴ Legal and Constitutional Legislation Committee Estimates (19 October 2009) p.7 available at <http://www.aph.gov.au/hansard/senate/committee/S12493.pdf>, accessed on 23 July 2010.

¹⁵ Rural and Regional Affairs and Transport Legislation Committee Estimates (19 October 2009) p.9 available at <http://www.aph.gov.au/hansard/senate/committee/S12495.pdf>, accessed on 23 July 2010.

¹⁶ Finance and Public Administration Committee Estimates (20 October 2009) p.32 available at <http://www.aph.gov.au/hansard/senate/committee/S12492.pdf>, accessed on 23 July 2010.

¹⁷ House Standing Committee on Industry, 'Science and Innovation, Seasonal forecasting in Australia' (Canberra 2009) p. viii available at <http://www.aph.gov.au/house/committee/isi/weather/report/fullreport.pdf>, accessed on 23 July 2010.

Efficiencies to be recognised/ realised

It is clear that a funding approach that continues to rely on the efficiency dividend is untenable and undermines APS agencies' ability to deliver essential services to the Australian community. There are however efficiencies with the current system that are either not recognised or realised.

Reducing the APS's reliance on contracting and outsourcing is one mechanism to achieve efficiencies. Contracting out and outsourcing are often lauded as ways that efficiency can be improved. Experience in the APS demonstrates, however, the exact opposite. The 'Report into the Government's Use of Information and Communication Technology' (Gershon Report) found that the extensive use of ICT contract staff had been significantly more expensive than engaging in-house employees – on average an ICT contractor cost an agency \$186,000 per annum, \$94,000 more than the average *Financial Management and Accountability Act* agency ICT employee¹⁸. There has also been a recent increase in the use of outsourcing for policy development. Late last year, *The Australian* reported that \$940 million was spent by the Commonwealth government on new consultancy contracts for policy advice, research and audits over the preceding two years¹⁹.

These arrangements are not only expensive, but also short-sighted. Whenever the government relies on outside consultants and contractors for policy advice and formulation, the development and capabilities of the APS are diminished, as when the contract ceases the skills and expertise those contractors have developed leave the APS. Key recommendations of the Commonwealth Legal Services Procurement Review²⁰ and the Gershon Report²¹ were the creation and/or strengthening of the professional career structure in the APS, to develop capacity and capability within the service. The continued reliance on contractors and consultants, instead of improving APS professional career structures, runs counter to these recommendations.

Another way in which the APS can realise cost savings and further efficiencies is through the central procurement of services. The possibilities of such an approach, in respect of ICT, were demonstrated by the Gershon Report which found that the devolution of ICT responsibility to agencies has led to below average outcomes, including in terms of financial returns²² and recommended the introduction of whole-of-government or portfolio based procurement practices to achieve costs savings²³.

The possibility of realising cost savings through central procurement was also a key premise in the Commonwealth Legal Services Procurement Review. Among other things, the Report recommended the use of coordinated and centralised tendering processes and the creation of a single Commonwealth panel as a way of achieving greater efficiency in the way in which the Commonwealth uses legal services²⁴.

¹⁸ Gershon P (2008), 'Review of the Australian Government's Use of Information and Communication Technology', p. 48-49 available at <http://www.finance.gov.au/publications/ICT-Review/index.html>, accessed on 23 July 2010.

¹⁹ 'Rudd's \$940m bill for consultants' advice', *The Australian* (11 November 2009).

²⁰ Blunn, A S and Krieger S (2009) 'Report of the Review of Commonwealth Legal Services Procurement' p.47 available at http://www.ag.gov.au/www/agd/agd.nsf/Page/OrganisationalStructure_LegalServicesReviewTeam accessed 23 July 2010.

²¹ Gershon P, op cit, p.4.

²² Ibid, p.2.

²³ Ibid, p.73.

²⁴ Blunn, A S and Krieger S, op cit, p.50-51.

Under the current arrangements, however, where savings of this nature are generated through centralised or streamlined procurement that are not passed on to the agencies involved, instead being captured by the Department of Finance and Deregulation²⁵. The Blueprint itself indicates potential efficiencies to be realised through central procurement of learning and development programs. Savings of this kind are legitimate efficiencies and should be properly recognised within any new mechanism.

Recommendation: That centralised procurement and a reduction in contracting out are implemented to improve agency efficiency.

Review process

Given the deficiencies in the efficiency dividend, the commitment to review the current mechanisms used to drive agency efficiency is welcomed. It is important that this review process examines the problems with the current funding model and fully examines the options for reform.

Questions we would see as appropriate in this process include:

- What are the problems with the current efficiency dividend model?
- What are other models for measuring the efficiency of public sector agencies?
- What are the advantages and disadvantages of alternative options for measuring the efficiency of public sector agencies?
- How should differences between agencies be accommodated within an approach to increasing public service efficiency? Does one size fit all?
- What role (if any) should a citizen survey have in the development and implementation of mechanisms to drive public service efficiency?
- What are the principles which should underpin an approach to promoting efficiency in the APS?
- What are some recommended options for replacing the current efficiency dividend model? And the pros/cons of each model (with a specific focus on the role of employees in determining efficiency and effective delivery of services in their workplaces).

The way in which the review process is conducted is also important. APS agencies and employees are uniquely placed to provide information and insights into the impact of efficiency measures on their operations and advise on improved measures. The review process should therefore be conducted in an open and transparent manner, invite submissions from stakeholders and provide all parties with the opportunity to comment on any potential models for reform.

Recommendation: That an open, transparent review of agency efficiency be undertaken, involving employees and their union. That the review focuses on investigating a range of alternatives for measuring agency efficiency and identify measures that allow APS agencies to most efficiently and effectively deliver government services and develop public policy.

²⁵ Joint Committee on Public Accounts and Audit, op cit, p.100.

9.3 Small agencies to improve the efficiency of their corporate functions

- All portfolio agencies should review the most efficient way to conduct their corporate functions.
- New small agencies should obtain their corporate services for a parent agency or shared service provider.

Small agencies could improve the efficiency of their corporate functions through portfolio bargaining arrangements. Within any given portfolio there may be over ten separate agency agreements in operation. For example, in the Health portfolio there are seven agency agreements (Department of Health and Ageing, Australian Sports Anti-Doping Authority, ARPANSA, FSANZ, National Blood Authority, Professional Services Review and NHMRC).

This system of bargaining is highly inefficient and in some circumstances unnecessary, as some portfolio agencies replicate to a significant degree the conditions that are provided in the parent department's agreement.

In a single agreement model of APS bargaining portfolio bargaining would mean that portfolio agencies have one set of negotiations that lead to the making of portfolio schedule. This schedule would deal with matters specific to the portfolio and/or matters not otherwise dealt with in the core. If the model for APS bargaining more closely replicated the ACT Public Service model, that is agreements made at an agency level with a negotiated common core, a portfolio bargaining approach would see agreements made at the portfolio level.

Portfolio bargaining would not be appropriate in all portfolios, however agencies within a portfolio should be able to bargain as a single entity in certain circumstances. In determining whether such an approach is appropriate in a particular portfolio, consideration should be given a number of factors including whether:

- the work undertaken by employees in the agencies is similar;
- there are professional or classification issues that need to be considered;
- there are specific conditions that pertain only to employees of certain agencies;
- whether portfolio bargaining would provide for equitable results; and
- whether portfolio bargaining would be more efficient.

Recommendation: *That, in appropriate circumstances, agencies within a portfolio act collectively for all purposes related to bargaining.*