



Submission to the inquiry into the current capability of the Australian Public Service (APS)

SERVICES AUSTRALIA

“Almost 6,000 permanent jobs have been cut from Services Australia since 2013. If we wore hi-vis vests, we’d have had a ministerial taskforce and be on our second rescue package. Of course, most of us working here are women.”

Community and Public Sector Union (PSU Group)

February 2021

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Executive summary

The Community and Public Sector Union (CPSU) is the primary union representing Australian Public Service (APS) employees in Services Australia, we are committed to providing a strong voice for our members in key public policy and political debates.

The CPSU welcomes the opportunity to make a submission to this inquiry into the current capability of the Australian Public Service (APS). We have talked to and surveyed our members in Services Australia and their feedback helps build the basis of this submission.

The CPSU has long advocated for a career-based APS offering quality permanent jobs. Today's world is changing at a pace never seen before, presenting new challenges and opportunities. It is crucial that the APS can adapt to meet these challenges and opportunities by investing in and building its skills, expertise and capabilities.

The CPSU is greatly concerned that capability in the APS has been devastated by years of budget cuts, efficiency dividends, the Government's Average Staffing Level (ASL) cap and the rapid rise of labour hire, consultants and contractors. In Services Australia, core work has been contracted to private providers driven by commercial intent at a cost of over \$1.6 billion to the taxpayer.¹

In this submission we examine five issues relevant to capability in Services Australia.

Labour hire and outsourcing is being used for core public sector work

Services Australia's permanent workforce has diminished from 33,868 people (94.5 per cent of its total APS workforce) in 2013² to only 27,141 people (85 per cent of its total APS workforce) in 2020³ - a reduction of over 6,000 employees. Permanent APS employees are being replaced by casuals, privatised as labour hire, contractors, consultants and service provider workers in every one of Services Australia's program areas including Service Delivery, Technology Services, Payments and Integrity and Child Support. In September 2020, Services Australia engaged 12,184 outsourced non-APS workers.⁴

Labour hire and casualisation erodes public sector capability

With Services Australia's increasing use of casuals, labour hire and outsourced arrangements in core work areas, the agency's operations, workers and the public have been impacted.

- 1 Senate Standing Committee on Community Affairs Legislation Committee, Answers to questions on notice from the Social Services portfolio, Question SQ20-000266, Budget Estimates 2020 - 2021 - 29 October 2020
- 2 Department of Human Services Annual Report 2012-13 <https://www.servicesaustralia.gov.au/sites/default/files/documents/dhs-annual-report-2012-13-web.pdf>
- 3 Services Australia Annual Report 2019-2020 <https://www.servicesaustralia.gov.au/sites/default/files/annual-report-2019-20.pdf>.
- 4 Ibid and Senate Standing Committee on Community Affairs Legislation Committee, Answers to questions on notice from the Social Services portfolio, Question SQ20-000263, Budget Estimates 2020 - 2021 - 29 October 2020

Multiple problems associated with the use of privatised labour have been reported by members including the creation of reverse workflows, double handling, a dramatic rise in errors, increasing complaints, unnecessary appeals, declining customer satisfaction, trust and reputational damage to the agency resulting from poorly trained and equipped outsourced workers.

Labour hire, contractors and consultants cost more than APS staff

Consultant, contractor, labour hire and service provider costs in Services Australia have risen exponentially since 2017. Services Australia's contract values with labour hire and service delivery partners are reported at over \$1.6 billion⁵, with consultancy expenditure for the 2019-20 financial year at \$17.8 million and expected to rise to \$20 million in 2020-21⁶. These are eye watering figures that demand (more) robust checks and balances to see if they bring value to the taxpayer.

Decades of ICT under investment and outsourcing has resulted in substandard ICT

Services Australia has lost sight of the benefits of in-house ICT development. A lack of career paths for ICT professionals and the Government's bargaining approach have impacted the agency's ability to attract and retain ICT talent. Additionally, the Government's ASL cap has driven the increasing use of ICT contractors for both day-to-day and specialist ICT work. CPSU members estimate over half of ICT workers in some ICT Delivery Centres and ICT Project Managers are ICT contractors.

The Government's bargaining approach impacted the APS's ability to attract and retain skilled staff

Insecure employment is being used in Services Australia at an unprecedented scale. To overcome this trend, the Government's ASL cap must be abolished. Services Australia must have greater flexibility to optimise resources and invest in a secure, well trained and experienced ongoing workforce. Only then can the agency reduce expenditure on consultants, contractors, labour hire and service delivery partners, and reinvest in increasing permanent APS positions.

Many of these casuals and the various privatised worker groups want more secure employment. Creating ongoing jobs in Services Australia would provide opportunities for these workers to have secure ongoing jobs and allow them to build their experience and expertise. This would benefit, Services Australia, the community and the affected workers and their families.

5 Senate Standing Committee on Community Affairs Legislation Committee, Answers to questions on notice from the Social Services portfolio, Question SQ20-000266, Budget Estimates 2020 - 2021 – 29 October 2020.

6 Services Australia Annual Report 2019-20 and Senate Standing Committee on Community Affairs Legislation Committee, Answers to questions on notice from the Social Services portfolio, Question SQ20-000253 and Question SQ20-000258, Budget Estimates 2020 - 2021 – 29 October 2020.

The Public Sector Workplace Relations Policy must be reviewed to allow agencies and their employees to agree on the inclusion of casual conversion and job security clauses. Moreover, agencies must be provided flexibility to develop appropriate remuneration models and conditions competitive with relevant industries/ markets to attract and retain critical specialist talent, including ICT talent.

This submission supports the recommendations provided in the CPSU's central submission.

Introduction

Services Australia has a vital role in government and Australian society. The agency's workforce has a long and proud tradition of supporting members of the community in need, including some of our most vulnerable citizens, day to day and at different life stages. The critical role of the agency's workforce in supporting our community has been highlighted through the COVID-19 pandemic and recent national bush fire emergency.

Its people are critical to Services Australia being able to properly fulfil its role. However, years of budget cuts, efficiency dividends and the Government's imposition of an inflexible and artificial Average Staffing Level (ASL) cap have eroded Services Australia's ability to maintain a permanent APS workforce and retain core functions at the same size and strength as in previous years.

Valuable funding has instead been directed to a growing component of insecure workers and to corporate interests to deliver core in-house work. This is driving down the wages and conditions and reducing the employment security of the workers undertaking agency work or engaged by privatised contract call centre providers doing Services Australia work. These corporate interests operate without the same lines of reporting and accountability expected of departments of state, leaving the public with a distinct lack of transparency for the thousands of millions of dollars being expended.⁷

CPSU members welcome this Inquiry as an opportunity to assess capability within Services Australia, including whether this Government's effective privatisation of significant elements of the national social security system has actually delivered improved services to the Australian community, contributed to building APS capability and delivered quality jobs in support of a better economy. We say it has done none of these things.

⁷ Senate Standing Committee on Community Affairs Legislation Committee, Answers to questions on notice from the Social Services portfolio, Question SQ20-000266, Budget Estimates 2020 - 2021 – 29 October 2020.

Labour hire and outsourcing is being used for core public sector work

Over a period of years, the Coalition Government has run down Services Australia - starting with a program of budget and APS job cuts which impacted the agency's ability to deliver essential services to the community. For example, Services Australia's engagement of ongoing APS employees declined over the period it responded to the COVID-19 pandemic⁸.

Since 2017, the Government has incrementally handed core elements of the agency's work to corporate interests such as Serco, Stellar, Datacom and Concentrix. Having driven down the agency's capacity to meet service standards, the government handed the work to privatized providers to overcome that fall in service standards.

The casualisation of the agency's APS workforce can readily be observed through Services Australia's employment data, reported in its annual reports. However, the same cannot be said about the use of privatised outsourcing arrangements which are being used for core agency work. A snapshot of our understanding of the agency's changing workforce composition since 2013 is in the table below.

Table 1: Services Australia's workforce composition over the period July 2013 - December 2020.

| | |
|----------------|---|
| June 2013 | Department of Human Services (DHS) employed 35, 838 people, including 33, 868 (94.5 per cent) on-going; 1,889 (5.3 per cent) non-ongoing and 81 (0.27 per cent) irregular/ intermittent. ⁹ |
| June 2014 | DHS employed 34, 773 people, including 32, 403 (93.2 per cent) on-going; 537 (1.5 per cent) non-ongoing and 1833 (5.3 per cent) irregular/ intermittent. ¹⁰ |
| September 2014 | In September 2014, DHS announced trial outsourcing of 200 telephony and training positions to Telstra, a proposal opposed by APS workers. Six thousand five hundred of 7000 DHS workers petitioned against the trial. |
| May 2015 | In May 2015, an ANAO report of Centrelink Telephone Services found an additional 1,000 staff were required for DHS to achieve an acceptable service standard for call answering ¹¹ . Government did not fund 1,000 positions but continued to cut positions. |
| May 2015 | In the 2015-16 Budget, the Government introduced the Average Staffing Level (ASL) cap. Services Australia was required to maintain its ASL equal or below its 2007 staffing level regardless of operational requirements. The ASL cap forced the engagement of labour hire and outsourcing to do the work normally done by permanent APS employees. |

8 Department of Human Services Annual Report 2018-19 <https://www.servicesaustralia.gov.au/sites/default/files/annual-report-191019-v2.pdf> and Services Australia Annual Report 2019-2020 <https://www.servicesaustralia.gov.au/sites/default/files/annual-report-2019-20.pdf>.

9 Department of Human Services Annual Report 2012-13 <https://www.servicesaustralia.gov.au/sites/default/files/documents/dhs-annual-report-2012-13-web.pdf>

10 Department of Human Services Annual Report 2013-14 <https://www.servicesaustralia.gov.au/sites/default/files/documents/annual-report-2013-14.pdf>

11 Australian National Audit Office, 'Management of Smart Centres' Centrelink Telephone Services' 19 May 2015. Retrieved from <https://www.anao.gov.au/work/performance-audit/management-smart-centres-centrelink-telephone-services>

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|------------------------------|--|
| June 2015 | DHS employed 34,890 people, including 31,094 (89.1 per cent) on-going; 1,124 (3.2 per cent) non-ongoing and 2,672 (7.7 per cent) irregular/ intermittent. ¹² |
| June 2016 | DHS employed 36,594 people, including 31,623 (86.4 per cent) on-going; 1625 (4.4 per cent); non-ongoing; 3346 (9.1 per cent) were irregular/ intermittent. ¹³ 55 million calls to Centrelink were blocked with a busy signal, an increase from 29 million (90 per cent) the previous year, with 7 million calls abandoned. ¹⁴ |
| June 2017 | DHS employed 34,037 people, including 30,244 (88.9 per cent) ongoing; 729 (2.1 per cent) non-ongoing; 3,064 (9.0 per cent) irregular/ intermittent. ¹⁵ |
| October- November 2017 | The Government awarded corporate giant Serco a pilot project for 250 call centre positions under a two-year contract of \$53 million. The initial 250 positions increased to 400 and expanded from Generalist calls to calls about Jobseeker payments and services. ¹⁶ DHS contracted Adecco to provide 1,000 labour hire at a cost of \$230m to undertake core compliance work relating to its Robo-debt program. ¹⁷ |
| April 2018 | The Government announced another 1,000 outsourced call centre positions. |
| June 2018 | DHS employed 32,943 people, including 30,108 (91.4 per cent) ongoing; 1069 (3.2 per cent) non-ongoing and 1766 (5.4 per cent) irregular/ intermittent ¹⁸ . Additionally, DHS engaged an estimated 1,400 call centre operators through service delivery partners and 1000 labour hire workers to undertake compliance work. |
| August 2018 | The Government announced another 1,500 outsourced call centre positions. DHS expands labour hire in Medicare, Service Centres and Operations including Compliance, Integrity, Information work, Programme design and Corporate roles. |
| June 2019 | DHS employed 30,595 people, including 28,092 (91.8 per cent) ongoing; 502 (1.6 per cent) non-ongoing; 2001 (6.5 per cent) irregular/ intermittent ¹⁹ . Additionally, DHS engaged an estimated 2,900 call centre operators through service delivery partners and 1000 labour hire workers to undertake compliance work. |
| July 2019 | In July 2019, the Guardian reported DHS outsourcing of services cost \$1.03b. ²⁰ |

12 Department of Human Services Annual Report 2014-15 <https://www.servicesaustralia.gov.au/sites/default/files/documents/8802-1510-ar2014-15.pdf>

13 Department of Human Services Annual Report 2015-16 <https://www.servicesaustralia.gov.au/sites/default/files/8802-1610-annualreport2015-16.pdf>

14 Stephanie Dalzell (2017, 26 October). ABC News Online. More than 55 million calls to Centrelink receive engaged signal in 2016/17, Senate Estimates hear. ABC News. Retrieved from <http://www.abc.net.au/news/2017-10-26/55-million-calls-to-centrelink-received-busy-signal-in-a-year/9086518>; Noel Towell (2016, 21 October). Centrelink hangs up on 29 million calls, Senate estimates hears. Canberra Times. Retrieved from <http://www.canberratimes.com.au/national/public-service/centrelink-hangs-up-on-29-million-calls-senate-estimates-hears-20161020-gs7ecj.html>

15 Department of Human Services Annual Report 2016-17 <https://www.servicesaustralia.gov.au/sites/default/files/2017/10/8802-1710-annual-report-2016-17.pdf>

16 Nadine Flood (2017, 2 May). Federal budget 2017: More public service cuts will harm Australia and the government itself. Retrieved from <https://www.smh.com.au/opinion/federal-budget-2017-more-public-service-cuts-will-harm-australian-and-the-government-itself-20170502-gvx5ln.html>

17 Doug Dingwall (2017, 22 November). Centrelink under fire for outsourcing 1000 jobs through labour hire. Canberra Times. Retrieved from <http://www.canberratimes.com.au/national/public-service/centrelink-under-fire-for-outsourcing-1000-jobs-through-labour-hire-20171122-gzqjwl.html>

18 Department of Human Services Annual Report 2017-18 <https://www.servicesaustralia.gov.au/sites/default/files/2018/10/8802-1810-annual-report-web-2017-2018.pdf>

19 Department of Human Services Annual Report 2018-19 <https://www.servicesaustralia.gov.au/sites/default/files/annual-report-191019-v2.pdf>

20 Austender figures show \$400m for privatizing call centres (\$135m contract to Stellar Asia Pacific, \$132m contract to Concentrix Services, \$120m contract to Datacom Connect and \$36m contract to Serco Citizen Services), a \$230m contract to Adecco Australia for 1000 compliance workers, a \$226m contract to recruitment giant Chandler Macleod – the total cost of external labour through 350 contracts amounting to \$1.03 billion in three years.

| | |
|----------------|---|
| April 2020 | Services Australia recruited almost 12,000 staff to assist with COVID-19 response (3,414 redeployed Services Australia employees; 1,700 APS employees; 1,546 non-ongoing and irregular/ intermittent employees; 3,125 labour hire; 2103 workers through service delivery partners ²¹ ; and 278 contractor/ consultants ²²). |
| September 2020 | Services Australia employed 31,630 people, including 27,141 (85 per cent) ongoing; 1005 (3.2 per cent) non-ongoing; 3,484 (11.0 per cent) irregular/intermittent employees ²³ . Additionally, Services Australia contracted 12,184 outsourced non-APS workers (i.e., 2,621 labour hire; 5950 workers through service delivery partners and 3,613 contractors/ consultants ²⁴). |
| October 2020 | In the Budget, Services Australia receives \$850m in supplementary funding for additional staffing. The Government lifted the ASL cap by approximately 325 at an approximate cost of \$50m. It is anticipated additional monies will be directed to labour hire and privately owned call centre providers. |

The CPSU has not been able to access details about consultant and contractor numbers over the period 2013 – 2019. We are aware that consultant and contractor arrangements have dramatically increased over the period 2017 – 2020, based on member feedback and expenditure details for consultants in the annual report. We have included further details about consultant and contract expenditure in ‘Section 3: Do labour hire, consultants and contractors cost Services Australia more’.

While the CPSU has been able to piece together an approximation of the agency’s workforce composition using several different sources, the lack of centralised data gathering and requirements for agencies to report on outsourcing arrangements means there are always gaps. Without the availability of such data the extent of outsourcing in the agency cannot be fully appreciated, including an understanding of the areas in which these arrangements are being used to replace APS employees and who is exercising delegations associated with that work.

Through the CPSU’s own mapping we have been able to determine non-APS outsourced labour is being used in every one of Services Australia’s program areas. This includes labour hire, outsourced workers through service providers, contractors and consultants.

Labour Hire is a particularly high proportion of the total workforce in the Payments and Integrity business line (formerly Business Integrity and Compliance). High labour hire use can be linked to the start of the illegal Robodebt debt recovery program. Following the very significant concerns raised about the legality of Robodebt by ongoing employees, a significant proportion of the ongoing workforce was moved to other duties. A labour hire workforce of around 1,500 workers was recruited.

In October 2020, Services Australia advised Senate Estimates it anticipates continuing labour hire, non-ongoing APS staff, APS Secondees and Service Delivery Partner (SDP) capacity to meet demand. The projected demand for a surge workforce (for COVID-19 response) from December 2020 to the end of the 2020-21 financial year is for up to

21 Services Australia Annual Report 2019-2020 <https://www.servicesaustralia.gov.au/sites/default/files/annual-report-2019-20.pdf>. Note Senate Estimates October 2020 Questions on Notice provide different numbers for APS secondees 2,185.

22 Senate Standing Committee on Community Affairs Legislation Committee, Answers to questions on notice from the Social Services portfolio, Question SQ20-000258, Budget Estimates 2020 - 2021 – 29 October 2020

23 Ibid

24 Ibid

1,400 additional labour hire staff to supplement internal redeployment of up to 13,000 experienced staff²⁵. The CPSU is concerned these non-APS outsourced positions will be continued rather than the recruitment of needed ongoing APS employees.

Labour hire and casualisation erodes public sector capability

CPSU members have serious concerns regarding the swift rise in the numbers of both casual and outsourced labour performing the core baseline work of their agency, its impact on capability and ability to deliver essential services.

CPSU members are proud of the services they provide to the Australian community, knowing their customers include some of the most vulnerable and in need. As a CPSU member has said, 'the work of the APS is broad, complex and important. It is learnt over years. Short term contracts undermine the ability [of] the APS to build and maintain services'.

CPSU members in core program areas that are being resourced by outsourced arrangements have expressed their concerns about the impacts on Services Australia's operations, workers and the public. These views are related below.

In response to the CPSU, casuals, labour hire workers and workers at privatised service delivery providers generally indicate they want more secure employment. We say these workers should have the opportunity to move into ongoing APS positions with Services Australia. These workers are already performing core Services Australia work and job security would allow them to build their experience and expertise. This would benefit Services Australia.

Smart Centres

Under the Government's labour privatisation initiatives, CPSU members working across Smart Centres have observed declining customer service and satisfaction associated with the use of labour hire and service providers; the creation of reverse workflows for more experienced APS employees; double handling; a dramatic rise in errors; and increasing complaints and unnecessary appeals.

CPSU members have shared their concerns about the decline in customer satisfaction, trust and reputational damage to the agency resulting from poorly trained and equipped outsourced workers.

25 Ibid

Reputational damage

“I frequently find I have to correct mistakes and customers are also losing faith in the information that is provided by on phone staff. I am aware of this as I take calls in the customer relations space.”

“Use of contractors in Services Australia and APS is decreasing the quality of work and creating lots of rework which is causing upset and, at times, distress for customers. It is increasing the negative perception that staff in APS are unable to do their jobs.”

“Reputation is important and when we outsource that gets diminished and I feel that takes away my job security and public recognition of the work I do.”

Quality of service affects access

“Public is receiving reduced quality of service which is impacting their ability to access services that they are eligible for.”

“The use of contractors who are not adequately trained results in significant rework for other staff and means customers are receiving incorrect information/ experiencing delays getting issues resolved.”

Declining customer service and performance measures

“The Gov[ernment] advises Service delivery partners are fabulous as they are helping meet KPI’s regards to answer times (which technically they lower) however nothing is ever mentioned about how many times the cus[tomer] is then transferred from one line to another or the length of hold time throughout the call. We are constantly wasting time sending feedback when simple process[es] are not followed ... The list of complaints are endless, I do not feel outsourcing helps in any manner as all integrity is lost.”

“The use of contractors and labour hire has doubled the workload for knowledgeable employees as they are consistently correcting errors and quality of work. This is EXPENSIVE and has been raised consistently - with staff basically gagged. Feedback is given extensively - without any transparency as to the fixes.”

“Lack of training/skills and knowledge drastically lowers the agency’s customer focused service offer and also generates rework (e.g. stats hide the fact that a customer may have contacted 9 times and referred for a callback etc by a contractor and had their issue/s resolved on 10th contact with a public service worker).”

Quality of training

“The training gaps are becoming quite obvious. The idea that you can replace the knowledge held by experienced APS staff by labour hire staff following ‘blueprint’ instructions will end up costing our customers, and the taxpayer a damn site more than what it was ever worth.”

“I was continually fixing the mistakes of poorly trained external supplied staff. External supplied staff appear to have no indigenous cultural training nor do they understand what indigenous services are for.”

“I am an Authorised Review Officer and review work by staff across the organisation. Contracted staff do not have the skills, training or experience. Over the past 10 years the quality of work has decreased significantly.”

Reverse work-flow, double handling and unnecessary appeals

“Labour hire are not sufficiently trained. When working in the families space 95% of your time is spend fixing labour hires mistakes and errors which is also putting our customers in a hard spot as they are receiving incorrect payments and getting incorrect information”

“The increase of rework and corrections 5 out of 10 calls clearly shows that training is not up to standard. Instead of customer calls, my day is spent taking SO Technical Support calls from these staff members”

“The amount of rework we have to do now is staggering. This causes stress and increase in customer aggression incidents. “

Payments and integrity

Service delivery has been identified as a key APS area for task automation, bringing important opportunities to improve services through reskilling employees into quality jobs. However, Services Australia’s automated debt-recovery program ‘Robodebt’ serves as a key case study of the impact that ill-conceived automation can have on vulnerable Australians. The agency’s debt recovery program and its related outsourcing decisions have been the subject of several senate inquiries and CPSU submissions. The ‘Robodebt’ Scheme demonstrates what can go wrong, when amongst other things, agencies do not listen to the experience and advice of their long-term permanent employees and replace them with contracted labour hire to avoid criticism and controversy.

Whilst the ‘Robodebt’ Scheme has been reviewed following legal action, the revised debt recovery program continues to be a core work area for the Agency, and one that continues to be largely staffed by labour hire workers. CPSU members have repeatedly

reported debt recovery to be a core area of work for the agency, and work which requires experienced APS employees and where internal capability should be nurtured.

“Centrelink Compliance Risk is heavily reliant on Labour Hire staff that an enormous amount of money is investing in training, yet retention rates are low. Additionally, the fees paid to Labour hire agencies would adequately cover the same staff being hired as non-ongoing”

In 2017, Services Australia (formerly Department of Human Services contracted Adecco to provide 1,000 labour hire workers at a cost of \$230 million to undertake core compliance work relating to its Robo-debt program. This contract continues under the revised debt recovery program.

CPSU members have also said:

“[Service Australia] uses labour hire staff for their debt restart and recovery resources, and contractors for project positions. Instead of succession planning long term staff, and developing learning and capability, Services Australia prefers to hire outside contractors”

“I work in compliance and there has been labour hire contractors working on our site for over 3 or more years... How is this ‘short term’? Put them on as APS so they are treated and paid the same. We have a labour hire team now working in the Tailored Servicing group in debt raising! We are the group responsible for investigating and actioning the debt base where a customer has a debt of >\$10,000 or > 3 debts to be investigated. This is extremely complex work - work that takes experienced Debt Management Officers (DMOs) a long time. You need to be able to understand the system, know the coding and be able to identify errors and be confident with legislation to waive and no debt. This is most definitely not the space for labour hire. From my experience, they generally just raise all debts! Even when it is clearly an error and should be a no debt, or even have a waiver applied. So much rework and appeals are caused from these.”

Service Centres

CPSU members are concerned the lack of knowledge and experience of labour hire and service provider telephony operators means customer are being provided incorrect information or payments which has knock-on effects for local Service Centre staff – increasing foot traffic and client aggression.

“It is becoming harder to find an experienced staff member to give assistance. Phones are being answered by staff that aren’t fully trained, claims are being processed by staff told to trust the system yet they have no idea of what to look for, code or ask the customer. Payments are not being correctly assessed and this has increased foot traffic in our already busy service centres.”

“It is causing more work at local offices double handling & correcting customers payments because out-sourced staff do not get enough training.”

Allied Health

Services Australia engages approximately 250 social workers who are mostly permanent APS employees. Social workers receive information referred from Services Australia and contractor call centres from APS employees, labour hire and workers contracted through service delivery partners.

Social workers have advised the union that work referred by labour hire workers often contain inaccurate information, mistakes and there are common incorrect referrals. As a result, social workers are required to gather more information and fix mistakes, causing delay to customers receiving support and which can have significant impacts for the vulnerable clients that social workers assist.

Social workers estimate one in three referrals are not triaged properly. This has flow on effects for the overtime budget and other non-urgent cases. This was apparent during the height of the COVID- 19 pandemic creating issues with processing of crisis payments.

“I am a social work support manager most of the feedback we provide to Customer Support Officers about inappropriate referrals or processes are to contract staff. A lot of information provided to customers that is not right is provided by contract staff.

Assessment services employs labour hire ‘specialists’ such as social workers / [occupational therapists] / [registered nurses] / physio/ exercise physiologists / psychologists etc to perform job capacity assessments for disability support pension claims.”

Child Support

Child Support handle extremely complex work in assessing, managing and transferring payments for children. Permanent APS employees work with complex legislation, perform investigative functions and are highly skilled in working with families often in distressing and difficult circumstances. Whilst non-APS workers cannot be engaged to do Child Support work, CPSU members remain concerned for the increasing numbers of casual and non-ongoing employees used to complete business as usual work.

“In Child Support we have lost a significant number of ongoing staff and instead the department now uses irregular/ intermittent (IIEs) and Non-Ongoing staff “to manage peaks”. Whilst this may seem like a reasonable strategy and enables us to mostly meet visible KPIs like Telephony ASA, it means less staff to perform BAU work during non-peak times - things like income correction and proactive debt collection work, and follow up of complex issues, which are integral to ongoing quality service of our customers.

Customers don't just want their calls answered quickly; they want timely follow up action completed on their cases where this is needed, which requires an ongoing commitment to maintaining staff numbers. Otherwise we just perpetually chase our tails, because customers call more often when the issues they have raised aren't followed up in a timely way.”

Accountability and transparency

In the same way that CPSU members are concerned by the impacts on Services Australia's operations and workforces, they hold serious concerns of the relative lack of accountability and transparency by which these arrangements have been normalised by this Government.

The ANAO's 2018-19 Report, *Management of Smart Centres' Centrelink Telephone Services – Follow up*²⁶, notes that following the introduction of the Serco call centre outsourcing pilot in October 2017, the Department provided the then Minister a Service Delivery Comparison Report outlining the performance of outsourced telephony services to internal staff against key performance indicators. The ANAO Report goes on to say that such comparison reports were no longer provided after the first pilot, rather monthly reporting is provided by way of overall key metrics. The CPSU considers such comparison reports as relevant to assessing the overall performance of privatized labour as compared to in-house APS capability. Comparison reports are even more critical given the increasingly complex work being directed to service providers, labour hire agencies and contractors.

Labour hire, contractors and consultants cost more than APS staff

Labour hire and service providers

In Senate Estimates, Services Australia was asked to provide a list of contracts it holds with service delivery partners and labour hire agencies. The table below details contracts for 31 existing labour hire and service delivery contracts to a total value of \$1.64 billion²⁷. These numbers are staggering and previously unseen in the agency. It is critical for there to be some reporting mechanism to compare the performance of outsourced service provider and labour hire compared to internal APS employees against key performance measures.

26 Auditor General Report No. 28, 2018-19, Management of Smart Centres Centrelink Telephony Services – Follow up.

27 Senate Standing Committee on Community Affairs Legislation Committee, Answers to questions on notice from the Social Services portfolio, Question SQ20-000266, Budget Estimates 2020 - 2021 – 29 October 2020

Services Australia Labour Hire and Service Delivery Partner Contracts

| Supplier Name | Contract Start Date | Contract End Date | Contract Value (AUD) |
|--|---------------------|-------------------|----------------------|
| ADECCO Australia Pty Ltd | 14-Dec-17 | 30-Jun-21 | 490,776,721.70 |
| Chandler McLeod Group Limited | 14-Dec-17 | 30-Jun-21 | 487,956,471.80 |
| Chandler McLeod Group Limited | 30-Jun-19 | 30-Jun-21 | 25,000,000.00 |
| Chandler McLeod Group Limited | 1-Jul-19 | 30-Jun-21 | 550,000.00 |
| DFP Recruitment Services Pty Ltd | 24-Jun-19 | 26-Jun-21 | 472,652.38 |
| Drake Australia Pty Ltd | 1-Aug-19 | 31-Jul-21 | 40,416.55 |
| First Grade Group | 10-Mar-20 | 23-Dec-20 | 117,288.52 |
| First People Recruitment Solutions Pty Ltd | 18-Jul-18 | 28-Feb-21 | 334,101.17 |
| Gulanga Group Pty Ltd | 3-Feb-20 | 18-Dec-20 | 161,287.50 |
| Gulanga Group Pty Ltd | 18-Jul-18 | 30-Jun-21 | 2,590,557.15 |
| Gulanga Group Pty Ltd | 19-Dec-20 | 18-Jun-21 | 84,851.25 |
| Hays Specialist Recruitment Aust PL | 3-Feb-20 | 30-Dec-20 | 289,345.98 |
| Hays Specialist Recruitment Aust PL | 27-Nov-18 | 30-Jun-21 | 92,000,000.00 |
| Hays Specialist Recruitment Aust PL | 20-May-19 | 12-Jan-21 | 508,935.97 |
| Hays Specialist Recruitment Aust PL | 18-Aug-20 | 30-Jun-21 | 326,268.80 |
| Hudson Global Resources | 1-Jan-20 | 31-Dec-20 | 218,900.00 |
| Karlka Recruiting Group Pty Ltd | 3-Feb-20 | 31-Jan-21 | 120,229.65 |
| Karlka Recruiting Group Pty Ltd | 3-Feb-20 | 31-Jan-21 | 135,655.20 |
| Jones Lang Lasalle (ACT) Pty Ltd | 1-Jul-19 | 30-Jun-21 | 444,457.72 |
| Makwara Solutions Pty Ltd | 4-Mar-19 | 30-Jun-21 | 931,700.00 |
| Makwara Solutions Pty Ltd | 4-Jun-19 | 30-Jun-21 | 1,188,000.00 |
| Ngamuru Advisory Pty Ltd | 10-Jun-20 | 30-Jun-21 | 44,200.00 |
| Onpoint 365 Pty Ltd | 28-Sep-20 | 26-Feb-21 | 70,567.87 |
| Onpoint 365 Pty Ltd | 31-Aug-20 | 31-Aug-21 | 136,358.88 |
| RELATBL RECRUITING PTY LTD | 30-Jul-20 | 31-Dec-20 | 369,894.00 |
| RELATBL RECRUITING PTY LTD | 1-Aug-20 | 18-Jun-21 | 345,059.00 |
| SOS Recruitment | 19-Jun-20 | 30-Jun-21 | 349,916.00 |
| Concentrix Services Pty Ltd | 23-Jul-18 | 30-Jun-21 | 132,715,058.53 |
| Datacom Connect Pty Ltd | 23-Jul-18 | 30-Jun-21 | 120,817,548.48 |
| Stellar Asia Pacific Pty Ltd | 24-Jul-18 | 30-Jun-21 | 135,556,287.64 |
| SERCO CITIZEN SERVICES PTY LTD | 7-Sep-17 | 30-Jun-21 | 144,877,792.40 |

What insecure work through service providers has meant for workers

Insecure employment is being used in Services Australia at an unprecedented scale.

In October 2020, Services Australia employed 31,630 people, including 27,141 (85 per cent) ongoing; 1005 (3.2 per cent) non-ongoing; 3,484 (11.0 per cent) irregular/intermittent employees²⁸. In addition the agency contracted 12,184 outsourced non-APS workers (i.e., 2,621 labour hire; 5950 workers through service delivery partners and 3,613 contractors/consultants.²⁹

In many cases, APS employees and labour hire workers work alongside each other in the workplace, but labour hire workers are denied the same working conditions, paid leave and NES entitlements.

In Senate Estimates, Services Australia was questioned about the employment conditions for individuals contracted through labour hire agencies and service delivery partners, the agency was requested to provide base pay rates and penalty rates. In response the agency confirmed that labour hire agencies (Adecco, Hays and Chandler MacLeod Group), and service delivery partners (Datacom, Serco, Concentrix and Stellar) each pay staff in accordance with relevant industrial arrangements, being an Enterprise Agreement or Award. Services Australia failed to disclose actual base pay or penalty rates.³⁰

Set out below is a comparison of APS Employee and Service Provider Call Centre base pay rates:

- An outsourced Serco worker doing Centrelink work earns, on average, \$17,000 less than a permanent DHS APS3 employee.³¹
- Call centre workers in Stellar, another provider of call centre services to DHS gross as little as \$20 per hour and get paid less than McDonald's workers.³²

There are also real questions as to the classification level at which some of these private providers are engaging staff. For example, service provider call centres seem to be hiring a substantial number of staff at the trainee level. New starters doing this work for the Department would be engaged at an APS level 3 classification. A Customer Contact Trainee under the Contract Call Centres Award 2010 gets paid nearly \$19,000 per year less than the minimum an APS level 3 employee is paid.³³

28 Services Australia Annual Report 2019-2020 <https://www.servicesaustralia.gov.au/sites/default/files/annual-report-2019-20.pdf>

29 Senate Standing Committee on Community Affairs Legislation Committee, Answers to questions on notice from the Social Services portfolio, Question SQ20-00025, Budget Estimates 2020 - 2021 – 29 October 2020

30 Senate Standing Committee on Community Affairs Legislation Committee, Answers to questions on notice from the Social Services portfolio, Question SQ20-000256, Budget Estimates 2020 - 2021 – 29 October 2020

31 Calculation based on difference between the annual salary of Customer Contact Office 1 under the Contract Call Centres Award 2010 and minimum pay rate of DHS APS 3.

32 <https://www.dailytelegraph.com.au/business/work/australian-taxation-office-call-centre-staff-get-paid-small-fries-even-less-than-mcdonalds-workers/news-story/a25c5748464054cd30ce537971bd4579>

33 Calculation based on difference between annual salary of Contract Call Centre Trainee under Contract Call Centres Award and minimum pay rate of DHS APS 3.

It is apparent corporate service providers are profiting by remunerating workers at a far lower rate of pay than that paid to APS employees who do the same work. This issue raises concerns about equity and job security amongst both APS workers and workers contracted by service providers.

The CPSU is concerned by the continued lack of transparency regarding the pay and conditions of labour hire and service delivery partner workers. In a climate of fiscal constraint and low public trust of traditional institutions there must be stronger accountability and reporting on the use of indirect employment. APS agencies must collect regular data of the number of roles outsourced to labour hire providers or other forms of external employment. This information must be published including for Senate Estimates hearings twice annually. The information must include salaries and conditions of labour hire workers and/or contractors for comparison with APS employees doing the same work and reasons for their engagement (e.g. a lack of skills).

Consultants

The PGPA Act Rule 17AG requires annual consultancy expenditure to be reported. It is important to note there is a distinction between contracts for services (consultancies) and contracts of service (contractors). Services Australia's annual reports only provides expenditure on consultancies, and does not include expenditure on contractors, a separate expense and equally relevant to understanding the overall picture of Services Australia's outsourcing expenditure.

The table below highlights the exponential growth in consultancy expenditure in Services Australia. These details are sourced from the relevant Services Australia annual reports.

| Financial year | Consultancy contracts and total actual expenditure |
|----------------|--|
| 2013-14 | Eight new consultancy contracts entered with total actual expenditure of approximately \$921,000, and four active on-going consultancy contracts with total actual expenditure of approximately \$443,000. |
| 2014-15 | Eight new consultancy contracts entered with total actual expenditure of approximately \$543,000, and three active on-going consultancy contracts with total actual expenditure of approximately \$399,000. |
| 2015-16 | Nine new consultancy contracts entered with total actual expenditure of approximately \$1.6 million, and three active on-going consultancy contracts with total actual expenditure of approximately \$131,000. |
| 2016-17 | Six new consultancy contracts entered with total actual expenditure of approximately \$989,000, and one active on-going consultancy contracts with total actual expenditure of approximately \$62,000. |
| 2017-18 | 29 new consultancy contracts entered with total actual expenditure of approximately \$8.1 million, and three active on-going consultancy contracts with total actual expenditure of approximately \$1.1 million. |
| 2018-19 | 52 new consultancy contracts entered with total actual expenditure of approximately \$16.4 million, and 16 active on-going consultancy contracts with total actual expenditure of approximately \$4.6 million. |
| 2019-20 | 35 new consultancy contracts entered with total actual expenditure of approximately \$12.6 million, and 20 active on-going consultancy contracts with total actual expenditure of approximately \$5.2 million. |

Services Australia has advised Senate Estimates it estimates the 2020-21 total actual expenditure for consultants to increase from \$17 million to \$20 million.³⁴

The CPSU has been vocal about the phenomenal increase in consultancy expenditure both in Services Australia, and the APS more broadly in the past five years. Agencies must be required to demonstrate their assessment of whether they have the in-house skills and capabilities, and the benefit of nurturing specific in-demand skills and capabilities, prior to going out to tender for consultants and contractors. Agencies must rein in the amount of work that has been opened to private providers.

Decades of ICT under investment and outsourcing has resulted in substandard ICT

ICT employment practices

As at 31 October 2020 Services Australia engaged 2,277 APS employees within its Technology Services branch, representing approximately 7.3 per cent of Services Australia's APS workforce³⁵, including one ICT Apprentice and 11 ICT Cadets.³⁶

CPSU members working in Technology Services have reported an increasing use of ICT contractors within their branch. Historically, ICT contractors were used as surge capacity at times when a major project needed additional skills or specialist professional knowledge. However, the trend toward a growing contractor base started to change a few years ago. CPSU members estimate:

- 50 per cent of 700-800 ICT staff are contractors in the Brisbane Delivery Centre
- 50 per cent of 1,300 ICT staff are contractors in the Canberra Delivery Centre
- 45 per cent of 700 ICT staff are contractors in the Adelaide Delivery Centre
- Most ICT project managers are contractors in the Delivery Centres
- There are some teams which are almost 100% contractors
- Scrum Masters (i.e. heads of ICT project teams) are contractors

The CPSU does not have actual figures for the number of ICT contractors engaged by the agency, nor any details regarding their pay and conditions, or their average length of engagement. This data is not readily available despite the significant amount of monies redirected to these outsourced arrangements.

34 Senate Standing Committee on Community Affairs Legislation Committee, Answers to questions on notice from the Social Services portfolio, Question SQ20-000253, Budget Estimates 2020 - 2021 – 29 October 2020.

35 Services Australia National Consultative Committee, Workforce Composition at 31 October 2020.

36 Services Australia Annual Report 2019-2020.

The Services Australia Enterprise Agreement includes an Information and Communications Technology (ICT) job stream, including ICT Apprentice, ICT Cadet, APS Level 5 through to Executive Level 2 positions. There appear to be two barriers to engaging ICT workers under the Enterprise Agreement's ICT job stream – the ASL cap and a strong prejudice amongst senior managers to prefer non-APS ICT contractors.

“ICT staff feel they have no career opportunities and feel like second class workers by management. Feedback from staff surveys are turned around to imply staff are the problem.”

CPSU members have expressed views about the agency's ICT employment practices adversely affecting productivity, morale and the collegiality needed for ICT work. An example of this is in Multi-Disciplinary Teams (MDT). MDT “Scrum Masters” are the heads of ICT project management teams who test, design, build and deliver small pieces of large ICT projects. MDTs are often 50 per cent contractor and 50 per cent APS employees. Rates of pay vary across the MDTs depending on whether staff are employed as contractor or directly through the APS. We are advised by members that Scrum Master APS employees can earn less than contractors they supervise, and less than Scrum Master contractors performing the same work.

On Services Australia's ICT employment practices, members report:

- The agency does not appear to skill map existing APS employees for projects prior to engaging contractors.
- Services Australia have hired ICT contractors without the requisite skills and in some instances paid for and prioritised their training, despite permanent APS employees having the skills required or upskilling their permanent APS workforce.
- APS ICT employees have limited career opportunities with merit processes or temporary higher duties either blocked or discouraged.
- APS employees report that they are being denied access to the broadband. The agency has said they will let staff know when they will broadband again, despite the Enterprise Agreement allowing 3 monthly reviews.
- Administrative work relating to ICT contractors is more time consuming than for APS staff and takes managers away from delivering ICT outcomes.
- The insecure nature of contractor work means the refusal to perform overtime is not without risk and can involve long hours. ICT contractors work life balance is affected by how their employment is managed.
- ICT contractors have advised CPSU members they would prefer permanent employment.

Services Australia's ICT employment practices means customer service suffers, as noted by the following member:

“Having ICT being outsourced also results in limited knowledge of internal systems and often long turnarounds to correct customer/staff issues. Staff who have significant long term technical knowledge are on the decline which has significant impacts for our customers.”

Welfare Payment Infrastructure Transformation (WPIT)

Services Australia has a large physical footprint of Service Centres providing face-to-face support to some of the most vulnerable people in the community. When MyGov crashed in March 2020, it was the Service Centres alongside their telephony colleagues that bore the brunt of that work. This event highlights that the digital change process in the agency is only just starting.

Services Australia is developing a new social security entitlements system called WPIT. The agency's current social security entitlements system is called ISIS and was developed in the 1980s. WPIT is a SAP based system that required significant tailoring to meet the parameters of Australia's social security entitlements system. In 2016, the agency advised the union that ICT contractors would be used for WPIT's programming work.

While it is the hope that the WPIT system will bring the agency's systems into modern times its full effect on staff and customers remains to be seen. On 7 July 2020, Minister Robert announced that "all major claims are online and we have begun streamlining through automation" and "single whole of government voice biometric service" as an indicator of the benefits of improved systems. While these changes may deliver improved service times, it is not clear if government will pocket the savings or invest in a permanent skilled workforce to handle the complex work of supporting the needs of Australians facing complex circumstances.

Digital exclusion is a major issue for many Services Australia customers. While the agency puts in a big effort to funnel people onto digital platforms, there are groups who will not or cannot make the shift to digital systems. ACOSS research found that 'digital inclusion remains linked to geography, age, income and education'.³⁷ The profile of Services Australia customers means that there will always be a need for face-to-face support through the agency's local service centres due to the broad range of customers the agency serves.

The CPSU and Services Australia met as a part of the agency's National Consultative Committee forum on 4 December 2020 to discuss its plans for automation. The agency is undertaking a range of initiatives to maximise customer access. A trial virtual office was set up in the ACT with staff answering video calls to customers in a Service Centre. CPSU members are concerned of a push to do away with current empathetic assistance of face-to-face local officers, a significant loss for customers. It also potentially opens the door to a reduction in face-to-face officers in service centres which would have a negative economic impact on many communities and businesses that operate in Services Australia locations.

Working under WPIT/ISIS

Customer First (CF) is the program used by most Customer Service Officers (CSO) to process and action claims. CF uses the new WPIT system and ISIS. CF can be unstable resulting in delays and double handling which affects staff and customers.

37 ACOSS The Australian Digital Inclusion Index ACOSS/ Infoxchange Briefing Note October 2018

As CF uses two systems it often struggles with the number of requests and the data transfers between them. This means at times CF crashes or runs slowly. The lack of ICT infrastructure investment by Government means the agency must maintain a legacy system called Customer Record for when CF crashes. WPIT is being designed to replace ISIS and eventually staff will use a programme called Process Direct. Should Services Australia have properly invested in the development of CF, the need to maintain legacy systems would not have arisen, another unnecessary cost to the agency.

Child Support System Replacement

The Child Support IT system is called CUBA and was to be replaced by a new IT system called Pluto. CUBA was developed around the turn of the century and Pluto developed from 2013-16. CPSU members report there were issues with Pluto's development which ultimately meant its development was halted, although it remains unclear why this decision was made. The agency reverted to using CUBA with a new SAP interface and some Pluto functionality. CPSU members have said this stop gap has not fixed the problem as Pluto is a SAP system and cannot easily connect with CUBA.

“[W]e were to use a system called PLUTO which was the biggest farce [I] have come across since starting on the agency over 20 years. It was never a compatible system. Some people clearly become very wealthy from the outsourcing of this. And staff like myself on the front line copped more abuse than ever because the system didn't work.”

Customers are not immune from these problems. Members advise that not everything put into CUBA comes across to Pluto and vice versa. This means data is not always accurately aligned across the two systems creating adverse outcomes for customers including additional emotional and administrative issues. It further leads to additional unnecessary rework for Child Support Officers. Lastly, some Child Support staff must access CF, CUBA and Pluto and this affects productivity if the systems crashes due to the systems not effectively communicating with each other.

“The attempt to replace CUBA with Pluto - it has not worked and we now have to use two systems in unison. There are components of Pluto that are an improvement but overall it is clunky and slow.”

CPSU members are extremely frustrated for the poor investment and planning of the Pluto project. Significant funds were spent for the project however it has failed to produce a system that works for customers and staff. There has been no accountability for the failed project, in fact it is thought some senior leaders have been well remunerated despite the failures.

A lost opportunity

In summary, the agency appears to have lost sight of the benefits of in-house ICT development. There is a lack of career paths for skilled ICT professionals and this is hamstrung by an APS wide bargaining policy that limits enhancing APS conditions to attract the best and brightest to the APS, along with the staffing cap.

The agency could employ all ICT contractors in permanent jobs and foster quality jobs and career paths for these skilled employees. Instead, members report that the business practices appear to be undermining the collegiality of the skilled staff they need to deliver ICT outcomes for the community.

Members also advise that skilled APS ICT staff are leaving because they have no career anymore in Services Australia. This approach by the agency has meant that many staff are seeking jobs elsewhere, including in other APS agencies. Former Prime Minister Turnbull said it would “take a decade” (7 May 2020 Innovationaus.com) to reskill and upskill the APS to reduce the reliance on outside consultants for run-of-business tasks. If there is no change in Services Australia it may take longer.

The Government’s bargaining approach has impacted on APS ability to attract and retain staff

The APS Employment Principles enshrined in the Public Service Act 1999 provides that:

“The APS is a career-based public service that ... recognizes that the usual basis for engagement is as an ongoing APS employment.”

Yet insecure employment is now commonplace in the APS, including Services Australia. There are many thousands of casual, labour hire and contracted workers performing ongoing work, rostered on regular shifts, working full time equivalent hours, in some cases for years.

In October 2020, Services Australia employed 31,630 people, including 27,141 (85 per cent) ongoing; 1005 (3.2 per cent) non-ongoing; 3,484 (11.0 per cent) irregular/intermittent employees.³⁸ In addition the agency contracted 12,184 outsourced non-APS workers (i.e., 2,621 labour hire; 5950 workers through service delivery partners and 3,613 contractors/consultants.³⁹

Insecure employment is being used in Services Australia at an unprecedented scale. Services Australia managers openly advise that they have been unable to directly engage APS employees to perform core agency functions due to the Government’s ASL cap policy. In many cases, APS employees and labour hire workers work alongside each

38 Services Australia Annual Report 2019-2020 <https://www.servicesaustralia.gov.au/sites/default/files/annual-report-2019-20.pdf>.

39 Senate Standing Committee on Community Affairs Legislation Committee, Answers to questions on notice from the Social Services portfolio, Question SQ20-000258, Budget Estimates 2020 - 2021 – 29 October 2020

other in the workplace, but labour hire workers are denied the same working conditions, paid leave and NES entitlements.

CPSU members have told the union:

“We need permanent staff who see a future in the APS, rather than poorly paid, insecure staff who leave as soon as they get a better offer.”

“Enormous resources and funds are going into the recruiting, onboarding and training of staff who would be suited to APS careers but leave because of the uncertainty.” “As a longtime APS staff member I now find it is a constant cycle of training & quality checking. We no sooner have staff all trained up & then they leave because they have secured fulltime employment.”

“There is a constant need to train more labour hire staff (I believe it would be because pay is low and attrition rates are high - those that are most capable use it as a stepping stone to better paid jobs) and full time experienced staff are occupied supporting those that are working with minimal training.”

To overcome the growing casualisation and insecure nature of public sector employment the ASL cap must be abolished. Agencies like Services Australia must be provided the flexibility to optimise their resources, including managing their workforce, within their budget envelope to deliver government priorities instead of sticking to an arbitrary cap.

Services Australia can only then reduce expenditure on consultants, contractors and labour hire companies, and reinvest those savings into increased APS staff numbers. Services Australia will then be able to review core work areas and commit to bringing back in-house those business-as-usual positions and functions which have been outsourced to labour hire, service delivery partners and contractors. Permanent on-going positions must be the usual basis of employment in the APS, and that principle and worker right should be reflected in all APS Enterprise Agreements.

CPSU notes an earlier Department of Human Services Enterprise Agreement included job security provisions, preferring ongoing employment as the usual basis of engagement, and helped secure permanency for hundreds of DHS Service Centre employees. Under the Coalition Government’s Public Sector Workplace Relations Policy such provisions are cited as being restrictive work practices. ***It is ironic, provisions seeking to promote the APS as a career public service are denied under the policy as restrictive, while the Government’s inflexible ASL cap continues unchanged.***

One of the early drivers of the move to enterprise bargaining was the capacity it provided for organisations and their staff to negotiate around workplace change and consultative rights in a way that encouraged innovation and strong staff engagement in direction and operational policies of the organisation. It also meant that at times organisations often had to take account of staff views even though that may not have always suited them. What this did mean though was that the outcome was much more likely to be effective and reflect the realities of that working environment. Under the current bargaining policy this isn’t possible, and the pared back consultation arrangements that the Coalition Government insists on do not suit the interests of either

staff or Services Australia. This diminution of bargaining rights under current Coalition Government policy is another barrier to the organisation achieving its potential.

The Public Sector Workplace Relations Policy must be reviewed so that APS agencies and their employees can agree to the inclusion of relevant job security clauses, such as casual conversion clauses, on-going APS employment being the usual basis for engagement, same work same pay.

Additionally, the Public Sector Workplace Relations Policy must be reviewed to provide agencies with the flexibility to develop appropriate remuneration models and conditions competitive with relevant industries/ markets to attract and retain critical specialist talent, including ICT talent.