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Community and Public Sector Union  
Lisa Newman – CPSU Deputy National President

Dr Timothy Kendall  
Committee Secretary  
Senate Standing Committees on Community Affairs  
PO Box 6100  
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Canberra ACT 2600

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1 March 2011

Dear Dr Kendall

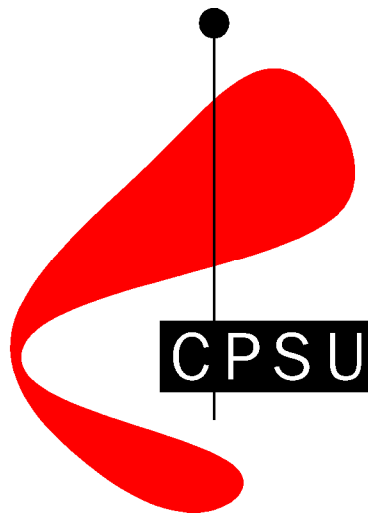
Please find attached a submission from the Community and Public Sector Union (PSU Group) to the Senate Inquiry into *Human Services Legislation Amendment Bill 2010*.

I am the contact person for this submission, I can be contacted via email at [lisa.newman@cpsu.org.au](mailto:lisa.newman@cpsu.org.au).

Yours Sincerely

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Lisa Newman  
Deputy National President



**CPSU (PSU Group)**

**Submission regarding the Human  
Services Legislation Amendment Bill  
2010**

**Senate Standing Committees on  
Community Affairs**

**March 2011**

## **Introduction**

The Community and Public Sector Union (CPSU) welcomes the opportunity to make a submission regarding the Human Services Legislation Amendment Bill 2010.

The PSU Group of the CPSU represents workers in the Australian Public Service (APS), the ACT and Northern Territory Public Services, the telecommunications sector, call centres, employment services and broadcasting. We are a national union with members in every state and territory. Our members work in the areas of administration, sales, engineering, communications, information technology, legal, technical, scientific research, broadcasting and many other fields. We are the principal union covering employees in the Department of Human Services.

The Department of Human Services (DHS) includes the Child Support Program (known commonly as the Child Support Agency) and CRS Australia. The Portfolio which also includes Centrelink and Medicare Australia has been integrating back-office support services and some customer-contact areas including introduction of some co-located shopfronts.

## **Transitional Provisions – movement of employees from Medicare Australia to the Department**

Schedule 1, Part 2, Division 5 of the Human Services Legislation Amendment Bill 2010 deals with the movement of APS employees from Medicare Australia to DHS. Similarly, Schedule 2, Part 2, Division 5 deals with the movement of APS employees from Centrelink to DHS.

Government policy is that the terms and conditions of APS employees should be established through agreements made under the Fair Work Act 2009. It is stated in the Explanatory Memorandum that “it is intended that a single enterprise agreement will be negotiated for all Department employees to take effect from the transition date.” However, if an enterprise agreement for DHS has not been successfully negotiated with employees and their representatives including CPSU before the transition date, the Transitional Legislation provides that the existing collective agreements that cover employees working in Medicare or Centrelink will continue to cover those employees until a single enterprise agreement is successfully negotiated.

## **Transitional Provisions – new employees**

The employment conditions applying to new employees is contained in sections (6) and (7) of Division 5. The Explanatory Memorandum states for new employees: “If a person becomes a new employee, as defined by sub item 67(6), before a single enterprise agreement is successfully negotiated, the Secretary may determine that the *Centrelink Agreement 2009-2011* or the *Medicare Australia Collective Agreement 2008-2011* or the *Medicare Australia (Medical Officers) Collective Agreement 2008-2011* applies to the new employee until a single enterprise agreement is successfully negotiated.”

CPSU is concerned about ensuring that new employees who commence with the Department after the cessation time are classified appropriately to the work that they will be performing in accordance with the APS Classification Rules and Work Level Standards and paid the appropriate salary. We are also concerned about ensuring that there is transparency and certainty for new employees regarding their classification, salary and terms of employment on commencement with the Department.

Section 23(4) of the *Public Service Act 1999* (PS Act) does not allow an agency head to reduce the classification of an APS employee without their consent, except in specified circumstances.

The general policy approach that underpins PS Act Regulation 8.1 (2) (Employment conditions after machinery of government changes – movement of APS employees) is that employees should not suffer a loss in salary as the result of a machinery of government change.

This Regulation ensures that if on the day of the move, the industrial instruments that would apply would result in the employee receiving a lower annual salary, PS Act Regulation 8.1(2) preserves the previous salary. This applies to new employees who are APS employees and are transferring from another APS Agency as well as employees who are new to the APS.

The employment of new employees being engaged by the Department after the cessation time and before a single enterprise agreement for DHS has been successfully negotiated with employees and their representatives, including CPSU, must not result in any undermining of the salary, classification and terms and conditions of employment for any group of employees.

Employees must be engaged on the greatest salary rate applicable to the work that they are performing as per usual APS machinery of government action as set out in Public Service Regulations Part 8. Employees being engaged under the wrong collective agreement may result in a reduction in the value of the work performed by existing employees and hence their salary rates.

Ahead of the integration of the whole of Centrelink and Medicare Australia into DHS, the Department has been integrating back-office support services and some customer-contact areas including introduction of some co-located shopfronts. Where these areas have been completely integrated, it is hard to determine which agency i.e. Centrelink or Medicare is the more appropriate.

To prevent this confusion, and to ensure that employees are appropriately remunerated, CPSU suggests that there be consultation by the Secretary with CPSU, as the representative of the class of persons who are to be or have become engaged as APS employee, on which is the most appropriate designated agreement to apply to that class of employees. Consultation should be before any new employees are commenced after the cessation time and occur for any vacancies that are advertised after cessation time.

## **Increasing efficiency and reducing cost of service delivery**

A major reason for integrating Centrelink, Medicare Australia and the Child Support Agency into one Government Department is to increase efficiency and reduce the cost of service delivery.

Ms Collins, Parliamentary Secretary for Community Services, in her second reading speech said: "A key element of the reform is the integration of the portfolio into a single department of state. Bringing together back office functions will drive efficiency, reduce the cost of service delivery for government and free up staff for more front-line customer service delivery."

Already DHS has saved \$8.1 million on legal advice for 2009-2010 compared with 2008-2009. In a report in The Australian newspaper on 4 February 2011 Robyn Bicket, chief counsel for DHS, said the changes were part of the government's Service Delivery Reform (SDR) agenda. She said all legal teams within the department were integrated from March last year and a dedicated legal team now provides services to Centrelink, Medicare, CRS Australia and the Child Support Agency.

The savings had largely been achieved through a restructure of the Centrelink legal services branch with staff carrying out procurement work joining another division, resulting in lower costs, Ms Bicket said. "Further integration of these services is expected to result in further operating efficiencies and savings in the future," she said.

CPSU believes that all employees of the Department should share in the savings and efficiencies that have been and will be achieved as a result of integration of the three agencies and the implementation of the government's SDR agenda.

As the Legislation is expected to commence on 1 July 2011, with the consequential merging of the two Agencies into DHS and full implementation of SDR from 1 July 2011, CPSU and its members in DHS expect that a substantial pay rise will apply from 1 July 2011.

CPSU also expects that if there is any delay in the commencement date of the pay rise, that the pay rise will be backdated to 1 July 2011 when the Centrelink and Medicare Australia staff became part of DHS and full implementation of SDR commenced with its resulting savings and efficiencies.