



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

**CPSU - TASMANIAN REGIONAL OFFICE**

**Community and Public Sector Union (PSU Group)**

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# Introduction

As the primary union representing Australian Public Service employees in Tasmania, the Community and Public Sector Union (CPSU) is 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).

From bushfires to COVID-19, to preparing for the economic and environmental challenges we face, the last year has shone a spotlight on the critical role of public services. While it has been tough, the Australian community would not have come through the last year as well as we have without the support and exceptional work of our APS. But as good as the work of our public sector has been in these difficult times, these events have exposed the cracks in our system from years of cuts to services. In Tasmanian the impact is felt not only in terms of the impact on services, but also job cuts and the increasing use of insecure work in our public service. This submission goes to the issues of the APS capability challenges we face in this state, and what we think should be done to address these.

The standout issue for the CPSU is the use of the Average Staffing Level (ASL) Cap and how it is driving the increased use of labour hire in the public service and in turn, the ongoing privatisation of our public services and the diminution of secure, career-based work in this state. Combined with under investment or poor investment decisions in ICT over a prolonged period, and a lack of long-term workforce planning and development strategies, we are in a position where the ongoing capability of the APS is at risk.

## Labour hire in the APS

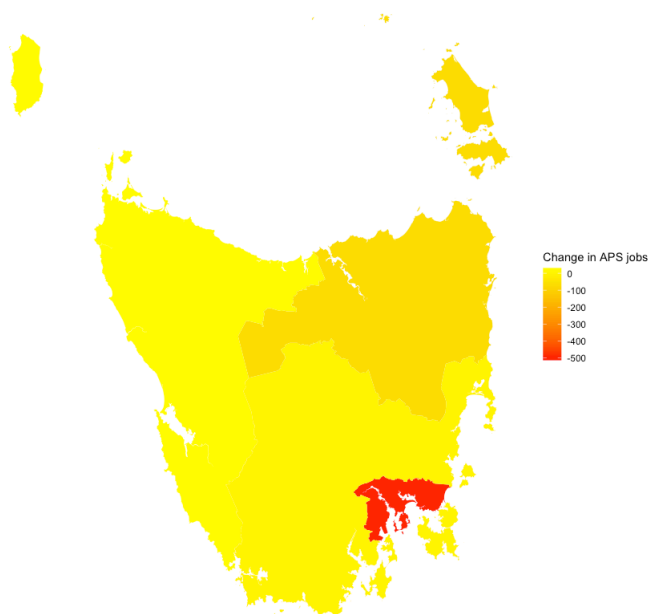
Despite a growing state population,<sup>1</sup> the number of federal public servants in Tasmania continues to decline. The most recent APS Employment Data from June 2020 shows that Tasmania has lost 550 APS jobs since the election of the Coalition Government in 2013.<sup>2</sup> At the same time, there has been the increasing use of expensive and insecure labour hire employment arrangements.

The most common form of new employment in the Tasmanian APS in recent years is labour hire. Most APS agencies and departments in Tasmania have large portions of core public sector work being delivered by workers employed under insecure labour hire arrangements. This includes, but is not limited to, Services Australia, Department of Defence, Australian Bureau of Statistics (ABS), Department of Veterans' Affairs (DVA), Australian Taxation Office (ATO), National Disability Insurance Agency (NDIA), Bureau of Meteorology and the Australian Antarctic Division. These jobs are not temporary or in response to a short term skills shortage, they are for work that is ongoing and highly skilled. They should be APS jobs.

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1 <https://www.abs.gov.au/statistics/people/population/national-state-and-territory-population/jun-2020>

2 <https://data.gov.au/data/dataset/aps-employment-data-31-december-2019-release>



**CHART 1: APS JOB LOSSES (DECEMBER 2013-JUNE 2020) BY STATISTICAL AREA 4**

## Labour hire and its impact on public service capability

The outsourcing of core public sector work has resulted in the de-skilling of work areas, reduced capacity, and plummeting morale for the remaining staff. There is a feeling within departments and agencies at all levels that it is no longer a priority to retain a permanent skilled workforce with corporate knowledge, even if the result is a temporary, de-skilled and less efficient workforce. The Government is, in essence, paying a premium for the purposes of wage suppression and having a compliant workforce with few rights.

Most staff employed through labour hire arrangements are not provided with adequate support, lack job security and have lesser conditions than permanent APS staff doing the same job. Unsurprisingly, there are extremely high levels of labour hire staff turnover despite warnings about its impact.

One of the major criticisms from National Disability Insurance Scheme (NDIS) participants during a Tasmanian public hearing for the Joint Standing Committee on the National Disability Insurance Scheme was a lack of continuity of staffing.<sup>3</sup> The Launceston NDIA office in Tasmania, for example, has seen a significant turnover in its labour hire workforce. More than half of the current workforce have less than 13 months experience in their current role. Given the complex nature of work in the NDIS, there are significant training requirements for new employees. Continually having to retrain staff

<sup>3</sup> <https://www.abc.net.au/news/2019-10-29/ndis-wearing-down-parents-and-carers-inquiry-hears/11645540>

due to poor employment conditions and lack of job security places a significant resource burden on NDIA.

Rather than more insecure work, Tasmanians using public services and those wishing to have a career in the APS want more permanent secure jobs. The removal of the Government's arbitrary staffing cap would allow the NDIA to hire more staff, retain and entice more skilled workers and in turn provide the continuity NDIS clients are calling for. This would be good for NDIS clients, the people working at the NDIA, and for Tasmania generally.

### **Case study: Compliance Risk Branch, Services Australia**

The Tasmanian Services Australia Compliance Risk Branch (robodebt team) provides a disturbing example of aggressive outsourcing in Tasmania. In 2018, after significant staff concerns around the legality and accuracy of the so-called robodebt program, the Department made the decision to begin transitioning the workforce to insecure labour hire arrangements. The Compliance Risk Branch team in Launceston was entirely staffed with directly engaged APS employees in 2018. Today, the entirety of that same workforce is now employed through expensive labour hire arrangements.

At the same time as Services Australia has increased the use of labour hire employment, there have also been significant reductions in its front of house staffing as well as the closure of some stand-alone regional offices.<sup>4</sup> The reduction in front of office services, when paired with the introduction of labour hire into an area that works with vulnerable members of our community, has particularly detrimental effects on the Tasmanian community, which has some of the lowest rates of digital inclusion.<sup>5</sup>

It is concerning that departments, when faced with criticism and scrutiny over a program, choose to ignore skilled and experienced public servants rather than take reasonable steps to address their significant concerns.<sup>6</sup> The APS needs more skilled public servants with the corporate knowledge and confidence to speak out. Any move to increase insecure forms of employment like labour hire will increase the likelihood of the program failures as we have seen with robodebt.

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4 <https://www.themercury.com.au/news/tasmania/luon-valley-community-says-merging-centrelink-and-service-tasmania-offices-will-hurt-customer-service/news-story/892a6d566574827cfff761a0a3b1be48>

5 <https://digitalinclusionindex.org.au/wp-content/uploads/2018/08/Australian-digital-inclusion-index-2018.pdf>

6 <https://www.theguardian.com/australia-news/2020/jul/07/centrelink-staff-forced-to-administer-botched-robodebt-scheme-deserve-apology-union-says>

## ICT – spending the money in the wrong places

APS ICT workers in Tasmania have less employment opportunities than when the Coalition Government was elected in 2013. One member told the CPSU that:

“Located in Hobart, my career prospects have been very limited for many years. Local staff ICT levels dropped. Career opportunities were non-existent. Even now, as staff leave, they are not replaced in Hobart.”

Services Australia’s ICT footprint in Tasmania provides a good example. In December 2013, Services Australia, the largest federal public service employer in Tasmania, had 56 specialised and skilled ICT roles. At the time, there was a commitment from the Government, including from Tasmanian Senator Eric Abetz, to maintain that workforce in Tasmania.<sup>7</sup> Despite that commitment, the same workgroup now only has 18 ICT positions in Tasmania.

Whilst on paper this may look like a cost saving, the reality is this is a false economy. Departments have merely shifted funding from in-house and directly employed ICT capacities to the private sector. Costs increase as professional APS employees are replaced by expensive external outsourced providers. Agencies have reported that ICT contractors can cost double that of APS ICT staff.<sup>8</sup> Sometimes these staff are former public servants who return as contractors at a higher cost to the taxpayer.

Staff working within Services Australia have also reported ongoing problems because of these outsourcing decisions, for example, the ability to maintain, upgrade and sometimes repair systems is significantly hampered by the reduction of an ongoing in-house ICT capacity.

## APS bargaining policy and APS capability

As the Federal Government has privatised much of the APS by stealth through the use of insecure forms of employment such as casual employment and labour hire, the reputation of the APS as an employer of choice has declined in Tasmania. Local managers increasingly report declining numbers of applicants with the appropriate skills for the roles advertised.

The attractiveness of APS employment has also been affected by the Government’s wages policies. Wage growth in the APS has declined since the election of the Federal Coalition Government in 2013, with APS employees experiencing years of real wage cuts.

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7 <https://delimiter.com.au/2014/02/18/56-jobs-stay-hobart-dhs/>

8 <https://www.aph.gov.au/DocumentStore.ashx?id=90a39e57-a638-46cb-be00-e9cb9753a461&subId=563837>

Along with the bargaining policy, the removal of consultation rights and a lack of adherence to consultation rights in workplace agreements, has created a culture of distrust amongst senior management and their workforce. Staff no longer feel that their thoughts and views are valued.

A lack of genuine engagement with staff around large workplace changes, significantly increases the number of errors and problems in the rollout of system and process changes in Services Australia. The introduction of income averaging in Compliance Risk Branch (robodebt) or Pluto in Child Support are clear examples of this.<sup>9</sup> If staff on the ground had been genuinely consulted and included in the testing of these systems, it is unlikely these problems would have occurred.

There is an opportunity for the Government to reassess its approach to APS bargaining and return to a policy of direct and ongoing employment. Not only would this increase the capacity and skills base of the APS but it would also save on the significant additional costs that come with labour hire employment.

## APS jobs as an economic driver

Tasmania's relatively small population makes good, career based and relatively secure APS jobs even more important. An increase in secure APS jobs would have a broader, beneficial impact on the Tasmanian economy. Research into the flow on effect of public service jobs into local communities shows that for every APS job created there is a multiplier effect of 1.68 jobs created.<sup>10</sup>

As Australia rebuilds from the COVID-19 pandemic and prepares itself for the next challenges we will inevitably face, the Coalition Government has the opportunity to use that for targeted rebuilding of public service capacity with a focus on regional areas and those groups particularly hard hit by COVID-19. They can do this through several different policy levers, for example establishing new entry level pathways for both graduate and non-graduate entry into the APS in regional locations. There is plenty of work to be done, and plenty of opportunities in Tasmania to use that to support struggling communities.

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9 <https://www.zdnet.com/article/human-services-finally-reveals-details-of-bungled-child-support-it-project/>

10 <https://australiainstitute.org.au/report/the-regional-impact-of-public-service-job-cuts/>

## Conclusion

These are just some of the examples of the challenges we face with APS capability in Tasmania. If we are to have an APS in the future that is as bold, innovative, and effective as we need, decisions need to be made now to ensure that. For Tasmania, and indeed for all the APS, it means that the staffing cap must be abolished, and a planned and strategic approach taken to investing in staff, skills and technology for the future. The focus of this must be on secure jobs with decent conditions. These are all outcomes that are achievable with the right decisions by a clever and innovative government.

*Zachary Batchelor*

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