



SA UNIONS

United Trades and Labor Council of SA trading as SA Unions

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Committee Secretary
Senate Legal and Constitutional Affairs Committee
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Parliament House
Canberra ACT 2600

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Dear Secretary

Submission to the Senate Legal and Constitutional Affairs Committee Inquiry into the impact of changes to service delivery models on the administration and running of Government programs

SA Unions is the peak body for South Australian unions and its affiliated member unions represent 160,000 South Australians and their families.

We are active advocates for the vital role of the public and community sectors in the delivery of quality publicly funded services to the Australian community. We welcome the opportunity to make a submission to this inquiry.

SA Unions is also the state branch of the Australian Council of Trade Unions and we support its submission and the submission of our affiliated member union the CPSU.

Good public services, adequately funded and accessible to the community they serve are critical to our community well-being and prosperity. The Commonwealth public sector is not only an important provider of critical services in the South Australian community, but also an important source of ongoing, skilled employment with sound pay and conditions and a career path and future development opportunities. It supports local business through both the multiplier effect of this employment and the nature of its work. For example, the work of CSIRO in supporting our local wine industry or the work of the NDIA in supporting people with disability participate to their full potential in employment and community are just a snapshot of the range of work undertaken by Commonwealth agencies in South Australia that support community and business.

The Coalition Government has undermined the capacity of the Australian Public Service to support our community in the way it should. This has occurred through a range of specific and targeted measures that have cut APS staffing levels, reduced service levels and failure to sufficiently invest in future APS capacity.

The introduction of a staffing cap for Commonwealth agencies; increasing the efficiency dividend and privatising aspects of Centrelink and Immigration work to for-profit Call Centres run by multi-nationals have all been decisions of Government that have led to a reduction in services and a reduction in ongoing, secure employment in Australian Public Service in South Australia. This is forcing people to accept insecure work and inferior wages and conditions.

The blow out we have seen in spending on contractors and consultants has been both an outcome of these decisions and a driver of further cuts and privatisation.

Government agencies engage contractors and consultants because the staffing cap prohibits them from direct employing people to do the work required. Consultants then often recommend further privatisation that would lead to more work for their organisations as a result. The recent consultancy for the design of the Services Australia is a clear example of this. Consulting firms McKinsey and KPMG took up a “discounted” contract at \$858,000 to develop the strategic plan for Services Australia. Shortly after this contract was awarded McKinsey were given a contract of \$5.9m for business consulting services for three years.ⁱ

Impact on South Australian employment

CPSU, the primary union for Commonwealth Government tells us that more than 1000 jobs have been cut from the Commonwealth employment locally since 2013. We have seen many of these jobs replaced by lower paid jobs through contracted Call Centres and labour hire arrangements. Over the same period the South Australian population grew by about 77,000 to approximately (6.9% share of the national population in 2018).ⁱⁱ This puts people in an employment situation where they earn less money, have less job security and often can't access standard working entitlements such as annual leave and sick leave. It makes it harder for people to buy a house, plan a family and save for their retirement.

The decline in manufacturing has been particularly hard felt in the South Australian economy. Changes to Commonwealth employment arrangements where we have over 1000 local jobs either cut from the local economy or replaced by lower paid and less secure work make the process of adjustment much more difficult. With a Coalition Government saying it is committed to regional employment, this strategy of cutting ongoing jobs is particularly vexing.

The proposal to privatise Australia's visa processing system puts in excess of another 200 jobs at risk in South Australia.

Privatisation should be stopped and reversed

Cutting staff, privatising work into insecure and lower paid work in contracted Call Centres reduces the level of training and the capacity of staff to deal with the often very complex nature of this work. It has exacerbated problems with programs such as robo-debt. Proposals to further privatise work in areas such as visa processing, and the ongoing privatising of DHS work is alarming.

Accessible, accountable and adequately funded public services are essential to securing a fairer and more prosperous Australia. They play a vital role in supporting families, communities, workers and businesses across our country. Government investment and ownership of public services and infrastructure creates development and economic growth. Public services are crucial to the development of a modern, productive, equitable; and inclusive society.

Australians prefer their public services to stay public. The Centre for Policy Development in a paper released in 2017 found that:

Australians want high quality services. And they do not want those services outsourced nor privatised. They want those services delivered by the public service. The Centre for Policy Development (CPD) found that 82% of people want government to retain the skills and capability to deliver services directly.ⁱⁱⁱ

Along with the ACTU, we note the community based inquiry that resulted in the *Taking Back Control* report^{iv} found that privatisation of public services and infrastructure, driven by the failed neoliberal trickle-down agenda, has had a devastating impact on Australian workers, service users, and the broader community. For South Australia these impacts are especially problematic. We call on the Coalition Government to:

- Remove the staffing cap on Commonwealth employment
- Stop the privatisation of Australia's visa processing system
- Stop the privatisation of Centrelink work
- Take measures to transition labour hire and private-for profit call centre work back to ongoing APS employment.

Yours faithfully

Angas Story
Secretary

ⁱ <https://www.innovationaus.com/2019/08/Hoffman-report-delivered-to-govt>

ⁱⁱ https://www.saplanningportal.sa.gov.au/data_and_research/population#current_population

ⁱⁱⁱ <https://cpd.org.au/wp-content/uploads/2017/12/Discussion-Paper-Final-December.pdf>

^{iv} https://d3n8a8pro7vhmx.cloudfront.net/cpsu/pages/1573/attachments/original/1508714447/Taking_Back_Control_FINAL.pdf?1508714447

