



# Select Committee on Job Security

## CPSU SUBMISSION [AMSA]

26 AUGUST 2021

### Introduction

As the primary union representing Australian Public Service employees in the Australian Maritime Safety Authority (AMSA), 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 job security and the impact of insecure work.

AMSA Connect is the contact centre within AMSA that provides a range of advisory and administrative functions across four key teams to their diverse clientele. There are usually approximately 35 to 40 Customer Service Officers (CSOs) employed in AMSA Connect, but due to attrition this number is sitting at 31. From mid-2018 to March 2021, up to 90% of those CSOs were engaged through labour hire arrangements with Hudson Ltd.

At the beginning of 2021, this contract was tendered to market and a new labour hire firm, Manpower, took over the contract in April. Existing staff were transitioned onto new labour hire contracts. On a day-to-day level, there does not appear to be any operational changes attached to the new contractual arrangements given no recruitment process was necessary and all staff were transitioned from one labour hire agency to the other.

This insecure employment arrangement does not align with the clear ongoing need for the work staff do. Further, employing people through labour hire arrangements rather than as APS employees creates serious gaps in institutional knowledge for AMSA. The broad and complex subject matter managed by these workers means training new recruits can take up to 6 months.

These workers are also not entitled to yearly incremental advancements, or other pay increases negotiated through the Enterprise Bargaining process. They also do not receive crucial sick, personal, annual, or other leave entitlements.

It should be a priority to retain the knowledge and skills of workers within our agencies and departments. Providing permanent positions through AMSA within the contact centre will ensure these skills are not lost, as well as enhance the institutional knowledge, and overall capacity within these work areas.

AMSA has the funding to increase its level of APS employment but has previously been restricted due to the ASL cap. In March, after several representations were made by the CPSU, AMSA agreed to make four ASL available to slightly reduce the labour hire use. Since the 2021-22 Budget's lifting of the service wide Average Staffing Level (ASL) staffing cap, AMSA have transitioned an additional 10 staff from the labour hire contracts to permanency. CPSU members welcome this decision, however, it is not clear why all staff are not offered this same arrangement, particularly given the clear ongoing need within AMSA Connect. Over the three

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years since AMSA Connect outsourced its staffing arrangements with Hudson, there had been minimal (if any) changes to the structure, demand, and output of work within the contact centre; this appears to remain unchanged since Manpower took over.

## About AMSA Connect

AMSA Connect is the contact centre within AMSA that provides a range of advisory and administrative functions across four key teams to their diverse clientele. Duties include taking calls, assisting with customer inquiries, assisting clients in navigating AMSA systems, and providing information and advice about legislative and regulatory requirements. This includes domestic seafarers, vessel operators, some government departments, and business reliant on maritime industry.

There are up to 40 positions when the contact centre is at capacity, of which 23 are employed casually through Manpower labour hire contracts under the *Clerks–Private Sector Award 2020* (approximately six additional vacancies are currently being filled), two are employed as Customer Service Officers (CSOs) on non-ongoing APS contracts, and six are permanent APS employees. An additional ten permanent APS jobs will be converted from labour hire contracts in the existing workforce in the coming months because of CPSU campaigning. All managerial level employees are employed permanently through the AMSA Enterprise Agreement where there is currently no use of labour hire or non-ongoing contracts.

There is a substantial number of employees who have been on these rolling contracts since the initial labour hire arrangement was put in place in 2018.

## Workforce profile

The workers within AMSA Connect are predominantly rostered casuals, working across either 8am to 8pm for the Domestic Commercial Vessels (DCV) line, and 9am to 5pm for all other lines. DCV is the most substantial business line, our members predict this line incorporates roughly 50% of the total AMSA Connect workers. Rosters are assigned monthly, with most staff working stable hours from week-to-week.

The labour hire workers employed through Manpower, and previously Hudson, contracts are predominately on *Clerks–Private Sector Award 2020* Level 2 (Level 2 Grade 1 CSO equivalent). However, they do not have the opportunity to receive incremental advancements from year-to-year as an APS-engaged Customer Service Officer (CSO) worker would.

Along with the Canberra-based contact centre, there is a second AMSA Connect hub in Coffs Harbour with six CSO positions. There is also one AMSA Connect CSO per office in six of AMSA's regional office locations, two are APS non-ongoing, the other four are employed through the Manpower labour hire contract. Since 2018, whenever a CSO position is vacated in a regional office it is not replaced.

## What does this mean for the work of AMSA?

Many staff report there is high turnover due to workloads and the lack of access to critical employment conditions, career progression, and job security.

It takes roughly six months to train a new staff member until they can take calls confidently and accurately without requiring a more experienced operator to listen in to their calls. Current employees are often needed to come off the 'floor' to assist in training. This not only means a

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short fall in staff capacity due to recruitment and training, but also within teams where other staff are pulled off to assist. The remaining experienced AMSA Connect staff must shoulder higher call numbers due to the reduced capability of trainees. The length of training indicates this work is highly specialised, and the knowledge taught should be retained as best as AMSA can.

Staff are not financially compensated for this training work and the increased workload causes additional stress within AMSA Connect. The long and involved process of training makes it frustrating when recently trained staff leave AMSA Connect, and they must do it all again.

In addition to training and workload impacts, the lack of access to sick leave (along with other entitlements afforded to APS employees) poses a significant personal and organisational risk, particularly during the COVID-19 pandemic. This example played out in other industries, particularly in Victoria, which in part led to the stage four lockdowns.

## Impact on the public

There are several flow-on effects from an insecure labour hire workforce that is not in the best interests of the public. The constant training of new employees reduces the capacity of the teams to answer calls and provide critical information to external stakeholders, and often means it takes longer for people to get the information that they need. It also creates long-term knowledge gaps as trained and experience workers leave due to limited career progression opportunities. This situation is not in the interests of the public that AMSA staff – both APS and labour hire – aim to serve.

## Impact on the people doing the work

Along with the organisational risks and challenges that arise from the lack of access to entitlements, such as leave provisions, there are also significant impacts on individual employees. These people do not receive sick, personal, annual, or any other leave entitlements, creating challenges to work-life balance and limited flexibility in planning breaks and time away. This can lead to fatigue and cause further flow-on effects on the efficiency and capacity of the overall workforce.

There are also limited career progression opportunities. It is difficult for workers to long-term career plan due to the limited pathways available from being on labour hire contracts as opposed to being directly employed through AMSA. This restricts their ability to progress through the organisation and more broadly into other areas of the Australian Public Service and encourages them to find other more secure jobs. This is costly and inefficient AMSA due to the constant recruitment and training investment that goes into each new worker, which is often quickly lost due to high turnover.

Permanent APS employees access pay increases through their Enterprise Agreement and annual incremental advancement. People working on these labour hire contracts are not entitled to yearly incremental advancements, or other pay increases negotiated through the Enterprise Bargaining process. It should be a priority to retain the knowledge and skills of workers within our agencies and departments. Providing permanent positions through AMSA within the contact centre will ensure these skills are not lost, as well as enhance the institutional knowledge, and overall capacity within these work areas.

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The CPSU conducted an analysis of the impact on an annual salary of person working as an APS employee in AMSA Connect, versus a person employed through labour hire arrangements in Attachment A.

The current arrangements have a real human impact. These are some of the stories from the people affected by these arrangements. Names have been changed.

### Tara's story

"[I'm] feeling undervalued by not receiving an offer of full-time employment nor any pay rise in the 3 years is a recurring blow to my self-esteem. It's not knowing if my contract will be renewed until a few weeks out from expiry of my last [that] causes yearly stress. I believe I am also not eligible to apply for a home loan due to the terms of my employment however, it is hard to even conceive of making such a commitment considering the precarity of my employment."

### Justine's story

"Labour hire use over an extended period of time diminishes your worth within the organisation. Labour hire aren't able to be considered for raises, nor is it beneficial for our employers to upskill us. The staff turnover is high as a result of not seeing a permanent future or way to progress within the organisation.

I personally find this frustrating because it makes me feel undervalued.

Being a widow and single parent, paying off a mortgage, the uncertainty related to labour hire type employment causes me to not feel very secure about my financial future."

### Kim's story

"There is no feeling of job security. It's a feeling of unease every year when the contract is due. It creates a divide between labour hire and AMSA contracted Customer Service Officers."

### Lee's story

"The Customer Services Officer (CSO) role at AMSA requires months of training before someone can operate without supervision. This means that a CSO must be taken off regular duties to train and monitor a trainee (generally 1 trainer per trainee). These extra duties are not recognised by an increase in award levels and place excessive strain on those CSOs continuing regular duties, as there are fewer people available to work while training occurs. The extra workload combined with a lack of security and recognition causes high turnover as CSOs transition to more secure work opportunities. This creates a feedback loop where high turnover requires hiring more staff, which requires more training, which creates excessive workloads, etc.

While a CSO may be able to operate with supervision after months of training it takes much longer to be fully competent. The CSO role requires familiarity with AMSA legislation, application processes, website navigation, organisational structure, and query triage protocol. A CSO must also be able to engage with callers that are often totally unfamiliar with AMSA or its legislative requirements; these callers can often be demeaning or abusive.

This means that a CSO must not only be familiar with the information listed above, but must also be able to convey this information in an accessible manner and under stressful circumstances. The importance of developing interpersonal skills alongside general knowledge in this role should not be understated. This is something that takes time to develop and is not easily replaced when a CSO leaves.”

### Alex’s story

“When I was a casual, I had a really difficult time getting a home loan. I was earning more than my partner, but because I was casual the bank manager, we spoke to said they didn’t take my income into account when applying for a joint loan.

That was the most stressful time for me - I had been with AMSA 18 months already and it felt humiliating, like the work I did had no value.”

## What is the cost of labour hire?

It makes little sense for agencies to rely on labour hire as it is also expensive. Labour hire firms such as Manpower receive substantial payments to contract these people, much greater than the cost to Manpower of paying the employee. While the Coalition Government has chosen to not track and analyse these costs, from the small number of agencies that have provided this information through Senate Estimates, a cost of at least 20% more than directly engaged APS staff seems common, although the number is as high as 40% in some instances.<sup>1</sup>

The AMSA website, which details contracts valued above \$100,000, show AMSA Connects previous labour hire firm, Hudson, in receipt of contracts for a Customer Service Officer of \$277,000 for 3-year contract for a position that has a salary package of around \$64,000 p.a, or \$192,00 over the three years. The Coalition Government’s policy on capping ASL and outsourcing work in the APS can be seen here for what it is – an exercise in driving down the take home pay of people doing the work of the APS and paying a premium to a private provider for doing so. It denies people the opportunity for ongoing, secure employment and it costs the public more.

While the failure across the APS to track and analyse the real cost of these working arrangements, all indications are that they cost the Commonwealth more than directly employing staff, resulting in fewer staff employed and the people working under these arrangements having lower pay, lesser conditions, and less job security. A genuine “lose-lose” situation.

This does not appear to be value for money or an effective way of staffing AMSA Connect given the work is of an ongoing nature. Instead, the workers should be directly employed through AMSA. This would lead to greater workforce capability, knowledge retention, and capacity for movement within the APS for workers who have already had time and money invested in their skills development.

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<sup>1</sup> CPSU (2021, February) Submission to the inquiry into the current capability of the Australian Public Service (APS)

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## Conclusion

In terms of their size, AMSA and AMSA Connect are small compared to other APS agencies, however, they provide a clear example of the broader problem occurring across the APS because of the irrational use of labour hire forced on agencies.

If the Government is serious about addressing insecure and precarious work, converting labour-hire jobs to APS work in its own workforce is an obvious first step. To ignore this opportunity is to suggest that the Coalition Government's claims of how highly they value the work done by public service and their commitment to its future are just hot air.