



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

**AUSTRALIAN MARITIME SAFETY AUTHORITY  
AMSA CONNECT**

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

**February 2021**

## Executive Summary

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 the current capability of the Australian Public Service (APS).

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. Up to 50% of AMSA Connect staffing is through labour hire arrangements that have been in place since 2018 and are in the process of being extended. These arrangements undermine the capability of the organisation because of the higher levels of staff training required and the overall reduction in the percentage of the workforce that is experienced and long term. These arrangements cost more than direct APS employment, but result in reduced pay, conditions, and job security for the people working in labour hire arrangements.

AMSA has the funding to increase its level of APS employment but isn't permitted to do so because of the staffing cap. While there are many things the Commonwealth could and should do to improve current capability in AMSA, removing the Coalition Government's staffing cap is an obvious and cost neutral first step in that.

## 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. The teams include:

- Shipping Registration Office
- Ship operations and qualifications
- Domestic commercial vessels
- General enquiries

There are up to 40 positions when the contact centre is at capacity, of which 24 are employed casually through Hudson labour hire contracts under the Clerks–Private Sector Award 2020 (approximately six additional vacancies are currently being filled), four are employed as Customer Service Officers (CSOs) on non-ongoing APS contracts, and two are permanent APS employees. 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.

The contract with Hudson has been in place since mid-2018 with the contract currently out for tender closing on 3 April 2021. Over the three years since AMSA Connect outsourced its staffing arrangements with Hudson, there have been minimal (if any) changes to the structure, demand, and output of work within the contact centre. This indicates that the work has been consistent and ongoing and, given the contract is once again out for tender, that it will continue to be consistent and ongoing.

There are a handful of employees who have been on these rolling contracts since the initial labour hire arrangement was put in place in 2018. Some of these staff members have been approached to provide testimonials for Hudson as an employer to be used for their bid for the contract. This in itself would seem to be admission from Hudson that the work has and continues to be consistent and ongoing.

## **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. Rostered are assigned monthly, with most staff working stable hours from week-to-week.

The labour hire workers employed through 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 staffed fully by people employed under Hudson labour hire contracts, this varies between 6 or 7 positions. There is also one AMSA Connect CSO per office in each of the 11 of AMSA's regional office locations. 4 are APS non-oring, the other 7 are employed through the Hudson labour hire contract.

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

Many staff report significantly high turnover due to a lack of access to critical employment conditions, career progression, and job security. Anecdotally, staff have suggested up to 10-15 employees have resigned between November 2020 – February 2021, equating to 25-35% of the total workforce lost in only a short period of time.

Employing people through labour hire arrangements rather than as APS employees creates significant turnover and institutional knowledge issues for AMSA. This has a number of flow-on effects, both to the individual workers and the operational capacity of the contact centre. The broad and complex subject matter AMSA Connect works with means the training is a long and ongoing process. There are serious gaps in retaining institutional knowledge as workers leave and new recruits are needed to be trained.

To train a new staff member it takes roughly six months until they are able to 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 means there is not only a short fall in staff capacity due to the recruitment and training alone, but also within teams where other staff are pulled off to assist. The remaining experienced AMSA Connect staff have to shoulder higher call numbers due to the reduced capability of trainees.

The length of training is another indicator that this work is highly specialised and the knowledge taught should be retained as best as AMSA can control. 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 have to 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. If there were an outbreak and a team member/s was infected with coronavirus, the lack of access to sick leave could lead people to attend work despite symptoms or risk being significantly financially worse-off by the loss of pay. This example played out in other industries, particularly in Victoria, which in parts led to the stage four lockdowns.

These impacts are not in the interests of the public that AMSA staff – both APS and labour hire – aim to serve. The reduction of overall staff capacity due to 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.

## **Impact on the people doing the work**

Along with the organisational risks and challenges that arise from lack of access to entitlements, such as leave provisions, there are also significant impacts that flow on to the 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 to the efficiency and capacity of the overall workforce.

There are also limited career progression opportunities. This is costly and inefficient for the organisation due to the constant recruitment and training investment that goes into each new worker. This is often quickly lost due to high turnover. 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.

People working on these labour hire contracts are also 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.

This is the CPSU 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.

Permanent full-time 38-hours per week, AMSA employee	Labour Hire employee (Assuming 38 hours per week, every week)
Lv 2.1 salary \$57,867 p/a, 29.19 p/h or 1109.27 p/w.	\$66,706 p/a, \$33.65 p/h (including casual loading) or \$1278.70 p/w
15.4% superannuation worth \$8,912	9.5% superannuation worth \$2,678 (if full 52 weeks worked)
4 weeks annual leave p/a	25% loading on base salary (inc above)
18 days personal leave p/a	No annual leave or personal/carers leave.
Public holidays (approx. 10 in 2021) and 3 days Christmas closedown	Not paid for public holidays or Christmas closedown (not worked)
Other permanent entitlements: increment progression, annual pay rises, notice of termination, maternity leave, etc.	No secure employment, increments or wage rises, notice of termination, etc
<b>Total package: \$66,779</b> <i>Plus paid leave, and the chance for advancement</i>	Advertised salary package: <b>\$66,706 pa</b> <b>Actual package \$64,081</b> (if leave and public holidays, Christmas shutdown factored in)
	Labour hire fee: not disclosed

Permanent APS employees also access pay increases through their Enterprise Agreement and annual incremental advancement.

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.

AMSA Connect has not been provided with access to work from home, for me this has meant commuting to work in Sydney through the pandemic. I often feel that the reason my health and safety has been overlooked is because I am a labour hire worker. I also fear speaking out will lead to not being offered a contract renewal.”

### **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.”

## Impact on the public

There are a number of flow on effects of an insecure labour hire workforce that are not in the best interest of the public. The reduction of overall staff capacity due to constant training of new employees does not only reduce teams’ capacity to answer calls and provide critical information to external stakeholders, it also creates long-term knowledge gaps where trained and experience workers leave due to limited career progression opportunities.

## What is the cost of labour hire?

Labour hire is also expensive to the public. Labour Hire firms such as Hudson receive substantial payments to contract these people, much greater than the cost to Hudson 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 margin of around 12-14% seems common, although the number is as high as 20% in some instances.

The AMSA website, which details contracts valued above \$100,000 show Hudson’s 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 \$64,000pa, or \$192,00 over the three years.<sup>1</sup>

The Coalition Government policy on capping staff 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 more.

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<sup>1</sup> <https://www.amsa.gov.au/about/reporting-and-accountability/tenders-and-contracts> Contract lists: 1 January 2020 to 31 December 2020 – published January 2021 (Accessed 25/2/21)

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, and the people working under these arrangements have 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.

## Conclusion

In APS terms, AMSA and AMSA Connect are a small organisation. 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 because of the staffing cap in particular. If the Coalition Government is serious about improving APS capability, removing the staffing cap is an obvious first step in that. To ignore this opportunity is to suggest that the Coalition Government’s claims of how highly they value the public service and their commitment to its future are just hot air.

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