

Inquiry based on Auditor-General's report No. 19 (2017-18)

The Australian Council of Trade Unions (ACTU) welcomes the opportunity to provide a submission to this inquiry. The ACTU is the peak body of the Australian union movement and represents the millions of union members in Australia. Many of these member's jobs rely on a strong and effective public service, which has sadly been undermined by the current government through staffing freezes, draconian bargaining policies and the wide-spread use of contractors and labour-hire. Contracting and labour-hire reduces the number of good, permanent jobs available and, over time, results in a significant reduction of public service capability. The ACTU would like to take this opportunity to fully support the submission from the Community and Public Sector Union (CPSU) and to commend its recommendations to the Committee. As outlined in that submission, to maintain a strong and effective public service, government must:

- End staffing caps which drive the use of outsourcing and labour hire
- Increase transparency around contracting and outsourcing by publishing consultant spending reports and hiring information, produce lists of major contracts and create a clearing house for performance information for consultancy firms.
- Rebuild public sector capacity by in-sourcing previously outsourced policy and service functions and identifying savings (if any) in the use of consultants and contractors, and then reinvesting those savings into rebuilding public sector capacity.
- Increase the number of secure permanent jobs in the public service through eliminating the use of labour hire and reducing the use of contractors, casual and non-ongoing positions, and increasing funding.
- Reconsider digital transformation as an opportunity to improve services, rather than an opportunity to cut costs, by:
 - investing in staff;
 - reducing its reliance on ICT contractors and consultants;
 - providing adequate funding in the Budget to invest in ICT systems and training that support digital government service delivery; and
 - involve and utilise staff and the wider community in the development and delivery of public services.
- conduct a root-and-branch review examining where the use of contractors and consultants has worked and why, the 'whole life' costs of contracts, effects on staff and service quality and other social and economic impacts.

Further detail on these recommendations can be found within the CPSU submission. It is our hope that the outcomes of this inquiry will be the first step into rebuilding and maintaining the strength and effectiveness of the Australian Public Service.