

UnionsACT

ACT Budget Submission 2008-9

DRAFT ONLY



Summary of recommendations

1. Establish an Office of the Workplace and Productivity Advocate to coordinate the ACT Government and community response to a number of issues impacting on the ACT workforce.
2. ACT Government should be an exemplary employer with regard to Occupational Health & Safety. To achieve this outcome all areas currently dealing with inspections, regulation, policy and compliance should be brought under one umbrella and properly resourced.
3. The government should honour the commitment made to the community sector to implement a portable long service scheme to cover those workers employed in the non-government community sector as a means to addressing the burgeoning skills shortage in that industry.
4. With respect to the last round of enterprise bargaining in the public sector, the government needs to ensure that commitments given regarding wage increases, work loads and contracts are fully funded and implemented.
5. To ensure the ongoing sustainability and equity of outcomes in the community sector, the government should commence a wide ranging debate and consultation process with the community to bring about a consensus regarding future service levels, workforce development and funding.
6. The amount of money allocated to public housing should be increased and further housing affordability measures to address private rental shortages need to be urgently implemented.
7. The government should lobby the federal government and other key stakeholders to join forces to develop a strategy to address the current

- housing affordability crisis in Australia.
8. Stabilise the contract cleaning industry by Funding to implement CleanStart principles, employing more licensing inspectors and funding of a review of regulations.
 9. Strengthen the ACT children's services sector by funding an Entry Level Training Scheme to address the lack of entrants to child care
 10. Restoration of 15.4% employer superannuation contribution to ACT Public Sector employees engaged since the closure in 2006 of ACTPS employee access to the PSSap scheme.
 11. Conduct a review of current employment arrangements used by all ACT Government agencies and fund the development of entry level traineeships in a range of areas such as landscaping, road maintenance and parks management.
 12. Fund the provision of more affordable public Parking spaces in Civic, Woden, Belconnen and Tuggeranong that offer the 3 for Free option in order to encourage the use of public transport and to enable all workers to locate sufficient parking near their workplaces.

Acknowledgements

UnionsACT gratefully acknowledges the valuable contribution to this submission made by affiliate unions including the LHMU, AEU, ASU and ACTCOSS. We would also indicate our support for those separate submissions made by the AEU, CPSU and the LHMU.

Introduction

UnionsACT notes that the ACT Government did not respond directly to requests and recommendations put to it during the budget consultation process in 2006/7 in our last budget submission. We refer to those recommendations (attached) again as still important for consideration whilst providing additional detail on some in this submission.

UnionsACT also notes the healthy state of the ACT Budget and the contrasting threat to the ongoing viability of many not-for-profit and community-based organisations for a variety of reasons.

We urge your earnest consideration of this submission.

Recommendation 1: Proposal for the establishment of the Office of the Workplace and Productivity Advocate.

Recommendation 2: Consistent with submissions received by the ACT Government in 2006/7, UnionsACT urgently requests the establishment of new independent statutory office to address ACT Workforce and productivity issues. The crisis in skills and the difficulty facing employers competing in an increasingly marginal employment pool demand a response from Government that enables the ACT Jurisdiction to protect its interests in maintaining a viable and productive workforce.

UnionsACT urgently requests the ACT Government look to similar precedents in other States and establish The Office of the Workplace and Productivity Advocate (OWPA) would be an independent statutory body established in response to increasingly complex workforce issues.

The issues impacting on the ACT Workforce include:

- Localised, competitive and aggressive employment activities between the Federal and ACT Governments adversely impacting on skills retention in the ACT Government sector;
- an erosion of minimum conditions which apply under awards impacting on Canberra's significant retail, hospitality and services sectors;
- the removal of the Australian Industrial Relations Commission's capacity to set wages and settle many disputes;
- a replacement of the award safety net with minimum wages and conditions prescribed by the Australian Fair Pay Commission;
- Lack of detailed, forensic and contemporary workforce data being available regarding ACT workforce demography, issues, trends and needs;
- The failure of the Federal Government to effectively assist Small Business in the application of new workforce reforms;
- The failure of the Federal Government to effectively assist youth and students, employees of a non-English speaking background or disabled employees;
- The employment crisis in the not-for profit and community services sector in the face of increasing use of these by Canberra public;
- Lack of understanding of their employment rights among significant sections of the Canberra community, and lack of direct assistance in accessing these rights; and,
- The increasing evolution of Health and Safety and workers compensation regulation and its application and the increasing complexity for employers and employees to ensuring effective compliance with standards and obligations

The OWPA (Office of the Workplace and Productivity Advocate):

The responsibilities of the new advocate may include but should not be limited to the following issues:

- Assist and encourage employers and employees to develop cooperative workplace arrangements that attract and retain quality workers;
- Provide information and advice to employers and employees about individual and collective workplace agreements under Federal and ACT Workplace and Occupational Health and Safety regulations and laws;
- Investigate employment and industrial relations practices which may be illegal, unfair or inappropriate or that may impact on the public interest;
- Monitor the impact of workplace regulation on ACT businesses and workers;

- Provide reports direct to the Chief Minister on workforce planning issues, relevant data trends and productivity issues impacting on the ACT jurisdiction and the local economy; and,
- Facilitate and co-ordinate relevant training, education and assistance to stakehold groups consistent with the scope of the role.

Structure

The OWPA should consist of the Advocate and suitable secretariat functions to enable the functionality required by the above scope. Establishment costs in the first financial year should be estimated in the vicinity of \$1-2 million based on relevant comparisons with other States including the example provided by the Victorian Government.

Year one establishment costs would be generally consistent to per annum budget requirements in the initial year depending on the scope of the role.

UnionsACT views this proposal as a matter of urgency given the current employment environment within the ACT.

Occupational Health & Safety

The current confused state of the Occupational Health & Safety regime in the ACT is not assisting in ensuring that there is compliance with the current legislation. The delay in filling the OH&S Commissioner position is of grave concern to all unions in the ACT. The fact that responsibilities are divided into different portfolios is both inefficient and confusing to all stakeholders.

This area of ACT Government responsibility is even more critical in the current environment caused by the sweeping changes to OH&S being generated by the Federal Government. The ACT and in particular the ACT Government is very vulnerable to a lack of resourcing in this area. The consequence of not having a strong regime is an increase in the risk of injury and death and a subsequent increase in workers' compensation premiums. We have previously raised these concerns in our submission to the Workers' Compensation Review.¹

¹ UnionsACT "Preserving the ACT Workers Compensation Scheme of the ACT" Review of ACT Workers Compensation System, April 2007

A number of steps are required to address this problem and they include;

- (a) Fill the OH&S Commissioner position to provide policy oversight;
- (b) Restore Workcover back into the one portfolio;
- (c) Restore the full capacity of Workcover to perform the regulatory role;
- (d) Resource Workcover to conduct community education on OH&S;
- (e) Resource the implementation of the OH&S Act 1989 - Scope and Structure Review; and
- (f) Table the legislation amendments to ensure the necessary regulations associated with Act are implemented.

The ACT Government has a unique opportunity to become a leader in OH&S compliance by providing the leadership and resources to develop a strong OH&S compliance culture amongst all employers and employees. This could create a further incentive to attract employees to the ACT and into the areas where we are experiencing such critical skill shortages.

Community Sector Workforce Development

Along with a number of other sectors the community services sector is grappling with the issues around capacity to recruit, train and retain skilled staff. A general labour shortage is making many jobs very difficult to fill, and many positions remain unfilled for long periods of time. This is exacerbated by increasing competition from public sector agencies that are also experiencing difficulties recruiting, particularly in light of the current relatively fast expansion of the Australian Government workforce. One positive development in recent years has been the introduction of a new indexation policy for community sector organisations announced as part of the 2005-06 ACT Budget. It is comprised of an 80:20 composite of the Wage Price Index and the Consumer Price Index. While this has prevented the problem from being even worse, it has only assisted in maintaining the current gap in wages, rather than reducing it. Affiliates have also reported that not all funded agencies are applying the indexation increase to staff wages as expected.

In 2006, the ACT Government released the Report of the Community Sector Taskforce², a group comprising both government and community sector representatives to discuss a way forward to improving the sustainability of the community sector workforce. The report confirms the large pay and conditions differential with similar positions in the ACT public service, and the difficulties organisations have in maintaining a skilled workforce. The report outlined some immediate initiatives and future directions for improving the community sector workforce. ACTCOSS in its own budget submission³ continues to express its disappointment at the ACT Government's lack of action in response to the report, and the problems have only worsened in the meantime.

One of the most concrete recommendations from the Report of the Community Sector Taskforce was consideration of the introduction of a statutory portable long service leave scheme for the community sector, similar to those in the cleaning industry and the building and construction industry. It is widely known that community service workers cannot use their entitlement to long service leave due to changing employers or leaving the sector. The benefits of introducing a scheme include:

- Retaining entitlements for people working in the sector, including when changing employers or taking time out from the sector (e.g. to raise children);
- Encouraging employees to stay in the community sector to access their entitlements, which helps reduce the number of workers leaving the sector, and encourages them to stay in the ACT;
- Increased use of long service leave entitlements will help reduce the stress and burn-out that is common among employees;
- Reducing the effective gap in working conditions with the ACT Public Sector; and
- Particularly for workers in small organisations, allowing greater movement of workers between organisations which provides more attractive career paths and assists in worker retention in the sector as a whole.

² ACT Government, 2006 "Towards a Sustainable Community Sector in the ACT"

³ ACTCOSS Budget Submission 2008-09, September 2007

UnionsACT understands that a full actuarial assessment for the establishment of such a scheme was prepared as part of The Report of the Community Sector Taskforce, and that the report also detailed the likely requirement for some additional funding in the out-years to minimise the financial impact on community organisations.

Recommendation 3;

That the ACT Government introduces a statutory portable long service leave scheme for the ACT community sector.

The report also noted the changing circumstances of industrial law in Australia, and the impacts this is having on organisations who face not only concern that the Social and Community Services Award is not keeping pace with wages generally, but also that the Award and many of its associated conditions may disappear entirely. Due to the stripping back of awards by the Federal Government prior to the WorkChoices legislation, the award had reduced pay increases at higher pay increments, and reduced some entitlements. Community organisations have begun to move to collective bargaining arrangements such as the Multiple Business Agreement model and other mechanisms of determining pay and conditions, but the knowledge-base and resource capacity of the sector to engage in this form of negotiation is limited. As a result, UnionsACT, ACT Peak Bodies and the relevant unions continue to receive requests for industrial relations advice from the sector for which they do not have the capacity, responsibility or expertise to respond. This situation highlights a key gap in support provided to community organisations.

A key recommendation from the Report of the Community Sector Taskforce is to investigate the need for the provision of practical industrial relations advice to the sector. ACTCOSS advises that a number of important benefits would likely result from the introduction of a community sector-based industrial relations advisor, including:

- Assistance in adopting appropriate industrial instruments that have the capacity to improve workforce pay and conditions, leading to improved workforce sustainability;
- Information in handling industrial issues with employees;

- Greater awareness of the relevant industrial, and occupational health and safety laws which would facilitate greater compliance;
- Access to an independent advisor, which would reduce misinformation about industrial practice and provide unbiased information in which organisations would have greater trust; and
- Knowledge of employment and training incentives which could be used to improve the skill base of the sector and further develop the workforce.

Recommendation 4

That the ACT Government fund the provision of private sector industrial relations advice through an Office of the Workplace and Productivity Advocate

In response to growing concerns raised with the ACT Government about labour and skills shortages, the ACT Government has set up the ACT Skills Commission. UnionsACT welcomes this initiative and is hopeful that this body will identify some new initiatives that will assist the employment shortages. UnionsACT has met with the Chair Rosemary Follett regarding our broad concerns.

Housing Affordability

Whilst applauding the ACT Government's initiative in launching an Affordable Housing Strategy⁴ and the Living in Canberra strategy, UnionsACT believes that the current high cost of housing in the ACT deters workers from filling modestly paid positions, because purchasing a home is nearly impossible for people on low-to-middle incomes, and even rental accommodation can be difficult to obtain or afford in the ACT market.

With the current building boom all available casual accommodation is full and many building workers are living in motels and caravan parks because they have been unable to afford or locate suitable affordable housing.

Recommendation 5; As a matter of priority, and to assist in alleviating skill shortages in the ACT, resource the ACT Government's stated goal of supporting the effective operation of the private rental market to ensure a balance between supply and demand and the availability of a range of accommodation options to suit varying income levels and individual needs.

⁴ ACT Government, Affordable Housing Action Plan 2007

The ACT government should lobby the Federal government and other key stakeholders such as the ACOSS Housing Affordability Taskforce to join forces to develop a strategy to address the current housing affordability crisis in Australia.

Child Care Industry

UnionsACT supports the LHMU submission⁵ that recommends that the 2007-2008 ACT Government budget provide for a thorough review of ACT children's services regulations. ACT Government officers have informed the LHMU that this is likely to take place pursuant to the Children and Young People Bill 2007. This review should include sufficient funding to support participation by non-government interested bodies such as the LHMU.

Making a budgetary commitment to strengthening monitoring and enforcement of compliance with regulations would make tangible the ACT Government's stated commitment to child safety and child development. This needs to take the form of an increased number and resourcing of licensing and licensed staff.

At this time there is no requirement for Entry Level Training, and no scheme available to provide such training.

In this, the children's services sector differs significantly from other industries with high degrees of casualisation and a high turnover of staff. In the hotel industry, new staff are required to possess or gain minimum certification with a Responsible Service of Alcohol certificate. In the gaming industry, new staff are required to possess or gain minimum certification with a Responsible Gaming certificate. Security staff are required to possess or gain a Security License. The children's services sector constitutes an anomaly in this sense. This is particularly hard to understand since it is the safety of children that is frequently in the hands of untrained staff. In principle, all casual and unqualified children's services staff must be supervised by qualified staff at all times. However, as indicated above, the ease with which children's services providers can 'cut corners' with ratios and group sizes means that qualified staff may find their ability to supervise untrained staff significantly curtailed, thereby increasing the

⁵LHMU, Budget Submission for 2007-2008 ACT Budget

risk of mishap. A minimum certification requirement would not solve this problem, but it would mitigate some of the effects of the problem.

Recommendation 6

Funding a minimum training scheme for new entrant and casual childcare workers.

Cleaning Industry Regulation

The ACT Government contracts out cleaning services in buildings owned or occupied by the ACT Government to private cleaning companies. The current contracting processes are delivering negative outcomes for cleaning staff, making it imperative for the ACT Government to introduce measures to rectify these problems.

In a recent example, a local cleaning contractor failed to provide for increases in wages over the life of a contract, leading to a cut in the number of cleaning staff, and a significant increase in workloads for those remaining. Situations like this are patently unfair for cleaners.

There are three strong reasons for the ACT Government to act during the next budget cycle to rectify these problems. They relate to the stated aims of the Social Plan, commitment to mitigating the negative impacts of Work Choices on women and other low paid workers, and the endorsement of Clean Start principles in the ACT Government's own employment practices.

ACT Government has stated its support for the LHMU Clean Start Principles including;

- 1) Fair hours – Each contract must specify an increase in the minimum start time to four hours (20 hours a week) (each contract needs to allow for the fact that most employees are currently part-time or casual, and are affected by the length of start time)
- 2) Fair pay – Each contract must make allowance for a living wage, with the proviso for annual wage adjustments without cuts to the hours of work, and a strengthening of key allowances (including penalty rate payments and other allowances)
- 3) Fair workloads – Each contract must specify the dimensions of a reasonable workload, by specifying the hours of cleaning being sought so that

contractors cannot cut staff, or increase their workloads, with consequent reductions in income

- 4) Fair job security – The LHMU seeks the ACT Government’s support to ensure cleaners are able to continue in employment following a change of contractor, either with their current employer or with the incoming contractor.
- 5) Fair treatment - Contracts need to include provision for formal induction of new cleaners, including training in the use of equipment and in OH&S. Training should also be provided for elected representatives as per the Occupational Health and Safety Act. Requests for Tender should require contractors to specify the costs involved in conducting inductions and training.
- 6) Fair leave conditions – Each contract must explicitly build in, and protect, leave conditions based upon the number of cleaning staff specified in (3) above. (The ACT Government has already fulfilled this obligation through the Long Service Leave Scheme of 2000)
- 7) Fair rights - The LHMU seeks the ACT Government’s support to ensure that cleaners have access to effective dispute resolution procedures and have a clear right to join their union and be represented by it.

A Budget commitment to ensure these standards are introduced would contribute to the ACT Government meeting its stated commitments to families. The cost of not introducing these changes would be to contribute to the dehumanizing and oppressive effects of the Work Choices legislation on a workforce that is predominantly women.

Recommendation 7

Funding to implement the ACT Government’s existing commitment to cleaners working under contract in ACT Government premises.

Reverse the decision made in 2006 to reduce employer superannuation contributions for ACTPS employees .

The ACT Government’s decision to reduce its employer superannuation contribution has affected the competitiveness of the ACTPS in a time of great difficulty in recruiting and retaining quality staff. The staff shortages across a range of areas in the ACTPS are unlikely to be resolved while better superannuation and salary packages are available through Commonwealth employment in the same location. The ACT Government must look to restore the

incentive of attractive employer superannuation contributions as a means of retaining quality staff.

Recommendation 8

ACTPS employer superannuation contributions be restored to 15.4% for all current and future staff affected by the reduction to employer superannuation contributions implemented in 2006 .

Entry Level Traineeships in the ACT Government

Conduct a review of current employment arrangements used by all ACT Government agencies with a view to ending the outsourcing of entry level jobs in maintenance, horticulture, cleaning, waste management etc.

Recommendation 9

Create traineeship opportunities for lower skilled workers to be directly employed by ACT Government.

Parking Provision

The lack of sufficient parking in the town centres is currently creating real pressures for workers in and around those town centres including retail workers, public servants, students, cleaners and hospitality workers. Not only is more parking needed in all those areas but it also needs to be affordable for low paid workers in order for employers in those areas to be able to attract sufficient staff; currently parking costs represent a disincentive to work in those centres. It is acknowledged that the huge expansion of Federal Government accommodation has contributed to this shortage and the Federal Government should be approached to make a proper contribution to providing sufficient parking to accommodate their own employees.

Recommendation 10

Fund the provision of more affordable public Parking spaces in Civic, Woden, Belconnen and Tuggeranong that offer the 3 for Free option in order to encourage the use of public transport and to enable all workers to locate

sufficient parking near their workplaces.

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UnionsACT Priority	Budget Item/ Social Plan Priority	Performance Indicator/ Benchmark	Timing	Ministerial Portfolio
Office of the Workplace and Productivity Advocate	Establishment of office	Access to sound IR and Workforce advice	July 2008	Chief Minister's Office
OH&S	Address current division of responsibilities	Create a more functioning regime	July 2008	IR, Attorney General's
Community Sector Workforce Issues	Implement recommendations	Tangible assistance to sector to reworkforce decline	January 2008	IR, DHCS
ACT Government Agreement	Monitoring of contracting out practices	Reduction in contracting out	Ongoing	Chief Minister's
Restore 15.4% superannuation in ACT Public Sector	Apply to all new staff	Address attrition and lack of attraction to new positions	July 2008	Chief Minister's
Portable Long Service Leave	Establishment of scheme	Reduce attrition rates in the community sector	January 2008	Chief Ministers
Affordable Housing	Implementation of Action Plan	More affordable accommodation to low paid workers	Ongoing	Housing
Cleaning Industry	Funding to implement CleanStart principles	Government tenders and assessment criteria to reflect Clean Start Principles	July 2008	Procurement
Child Care	Funding to implement new	Develop subsidy scheme to	January	DHCS, DET

Sector	licensing regime	encourage Entry Level traineeships in child care	2008	
Entry Level Traineeships	Entry Level Training Scheme	Establishment of scheme	January 2008	DET
Contracting Arrangements	Establish an overview and compliance process	Establish a process to check compliance	Ongoing	TAMS,
Parking	Establish a feasibility study	Create more free parking in town centres	January 2008	TAMS

References

¹ UnionsACT “ Preserving the ACT Workers Compensation Scheme of the ACT” Review of ACT Workers Compensation System, April 2007

² ACT Government, 2006 “Towards a Sustainable Community Sector in the ACT”

³ ACTCOSS Budget Submission 2008-09, September 2007

⁴ ACT Government, Affordable Housing Action Plan 2007

⁵ LHMU, Budget Submission for 2007-2008 ACT Budget

6. AEU Submission

7. CPSU Submission

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