

# REVERSE THE PRIVATISATION OF THE PUBLIC SECTOR

## Public services for the good of the whole community

Australia's public service has been privatised by stealth. Job cuts made at the end of the previous Labor government have been turbo-charged under the Liberals. Government departments have been hollowed out. And for every cut or lost job, the Big-4 consulting firms - all massive donors to the major parties - get a lucrative contract at your expense. The Greens will rebuild a strong public sector that delivers quality public services and helps grow the jobs of the future.



### THE GREENS WILL:

- **Restore staffing levels in the public service** to what they were in 2012-13, and abolish staffing caps and efficiency dividends
- **Increase pay for public servants** by 4% per annum for the next four years.
- **Impose a cap on consultants and contractors**, and prohibit the use of labour-hire
- **Reform the process for appointing the Public Service Commissioner** and Departmental Secretaries
- **Enshrine the right to freedom of political expression** for public servants into law

## RESTORE THE PUBLIC SERVICE

Throughout its term, the Coalition government has attacked and outsourced the public service, leaving it weakened and less able to do its job. This is straight out of the neoliberal playbook: hollow out government and then blame the bureaucrats when things go wrong.

This is not even about saving money. The government is paying consultants, contractors and labour-hire more money to do the same work that public servants used to do. These private providers can be relied upon to tell Ministers what they want to hear and have donated back to the major parties a staggering \$4.4 million since 2012.<sup>1</sup>

The Greens would turn this around. Government departments exist to serve the good of the community as a whole. The public sector should be properly staffed and properly resourced to provide the services that governments are elected to provide and that we all benefit from. Most importantly, the public service should provide the frank and fearless advice that is critical to a functioning democracy and quality public services.

The Greens would restore staffing levels for the Australian Public Service<sup>2</sup> to the levels that they were in 2012. Over a four-year period, employment in the public service would increase by over 17,000 people, on a full-time-equivalent basis. This will mean more people in the public sector to help with the education, housing, health, social security, environmental protection and infrastructure needs of the country.

After restoring staffing levels, the Greens would then allow the size of the public service to grow at the same rate as the size of the population. Expecting the same number of public servants to serve ever more people is not the way to govern a country over the long term.



The Greens would also abolish the cap on average staffing levels because it does nothing but force public servants into casual and insecure work. It doesn't actually affect how much money a department spends or how many people are actually doing work for the department. What it does do is encourage departments to put more people on rolling contracts and use more labour hire to get around an artificial head count.

Finally, the Greens would also do away with efficiency dividends for government departments. Efficiency dividends are another artificial construct that distorts what should be a fundamental principle of government: funding for the public service should be at the level required to ensure the delivery of public services.

<sup>1</sup> Doug Dingwall and Marcus Mannheim, Canberra Times, Govt nearly triples spend on big four consultancies as donations rise, 20 March 2019.

<sup>2</sup> Defined as those employed under the Public Service Act 1999

## CUT PRIVATE CONSULTANTS AND CONTRACTORS

The flip side of governments slashing public sector employment is that spending on contractors and consultants is out of control. Over their term, the Liberals have paid an average of \$32 billion each year to the private sector for service delivery.<sup>3</sup>

Deloitte, Ernst & Young, KPMG and PwC have been some of the biggest beneficiaries of this trend. The Big-4 are taking ten times as much out of the public purse than they were ten years ago.<sup>4</sup> Their combined annual cheque from the taxpayer is now around half a billion dollars.<sup>5</sup>

Some of this largess comes back. Donations from the Big-4 to the major parties are also on the rise, hitting close to \$1 million in the last reporting year.<sup>6</sup>

The Greens would put an end to the gravy train for consultants and contractors and put an end to the 'brain drain' from the public service to private companies. We would impose a cap on all consultancy and non-consultancy contracts at 7.5% of an agency's current budget. This would raise \$10.2 billion over the decade that can be reinvested back into the public service.

Our plan also prohibits the use of labour-hire companies, except in exceptional circumstances, and unless approved by the Minister and reported to parliament.

## FAIR PAY FOR PUBLIC SERVANTS

Wages growth in Australia is at the lowest rate since World War II.<sup>7</sup> Productivity increases are not flowing through to wage increases. Instead, we now have a 'real wage underhang'.<sup>8</sup>

One of the simplest and most effective things that the government can do to help spark an increase in wages is pay public servants more.<sup>9</sup> The Greens would increase wages for workers in the General Government Sector by 4% per annum over the next 4 years. This would cost \$4.6 billion.<sup>10</sup> It would also help spark an increase in wages across into the private sector and would send a strong message that workers in the public sector are valued and respected.

The Greens would also work towards ending performance-based pay. This is a failed experiment. It has not improved performance. But it has eroded a sense of teamwork and it is inconsistent with the role and culture of the public service.<sup>11</sup>

Finally, the Greens would reform how the Remuneration Tribunal works, including by appointing a worker representative to the tribunal, and ensuring that its decisions are made independent of any consideration of private sector pay.

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3 Department of Finance, Statistics on Australian Government Procurement Contracts. This is more than 10% of the total operating budget of the federal government, as per Budget 2018-19, Budget Paper No. 1, Statement 4: Public Investment and Productivity.

4 Australian Senate, Question on Notice No. 981, Minister for Finance.

5 Doug Dingwell and Marcus Mannheim, The Canberra Times, Govt nearly triples spend on big four consultancies as donations rise, 20 March 2019.

6 Doug Dingwell and Marcus Mannheim, The Canberra Times, Govt nearly triples spend on big four consultancies as donations rise, 20 March 2019.

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7 ABC RMIT FactCheck, Fact check: Is wages growth now the lowest since records began?, 21 June 2018; Andrew Stewart, Jim Stanford, and Tess Hardy, Open letter on the benefits of promoting faster wage growth, 19 March 2019.

8 Saul Eslake, The Conversation, Is faster profit growth essential for a pick-up in wages growth?, 4 October 2017.

9 Andrew Stewart, Jim Stanford, and Tess Hardy, Open letter on the benefits of promoting faster wage growth, 19 March 2019.

10 Only applies to non-executive public servants (below classification executive band 1)

11 See: Andrew Podger, Submission to the Independent Review of the Australian Public Service Review.

## APPOINTMENT OF THE COMMISSIONER AND SECRETARIES

The first objective of the Public Service Act 1999 is “to establish an apolitical public service”. Yet this aim is being undermined from the top by political appointments of heads of departments and other statutory office holders.

This is an issue that goes back to the removal of the permanent heads of departments in the 1980s. This has created a culture amongst senior public servants that is more subservient to the government of the day, and less inclined to provide frank and fearless advice.

The Greens propose a two stage solution to this issue.

The first step would be to ensure the independence of the Australian Public Service Commissioner by requiring that the Joint Committee of Public Accounts and Audit be consulted on their appointment, as is the case with the Auditor-General.

The second step would be to establish a three person panel to make recommendations to government on the appointment of any departmental secretaries or other statutory head under the Australian Public Service Act. This panel would be made up of the Commissioner, the Secretary of the Department of Prime Minister & Cabinet, and a worker representative from the relevant department or agency.

The recommendation of the panels would need to be unanimous and reported to parliament. The government would still make the ultimate decision, but would have to justify any variation from the recommendation of the panel.

The Greens would also clarify the distinction between the roles and responsibilities the Australian Public Service Commissioner and the Department of Prime Minister & Cabinet, in line with that recommended by the Public Service Review.<sup>12</sup>



## FREEDOM OF POLITICAL EXPRESSION

Public servants have a right to freedom of political expression. Recent dismissals and court cases have highlighted the inadequacy of existing laws in the digital age.

The Greens would legislate to protect the right of public servants in their private capacity to engage in political advocacy and activism, run for public office, to participate in their union, and to represent or be elected to activist organisations. Public servants need to be clear and confident that they can participate in public debate without this impinging on their job.

<sup>12</sup> APS Review: Priorities for change, 19 March 2019.