

# TRANSCRIPT

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into the Victorian Government's Response to the COVID-19 Pandemic

Melbourne—Tuesday, 19 May 2020

#### Members

Ms Lizzie Blandthorn—Chair

Mr Richard Riordan—Deputy Chair

Mr Sam Hibbins

Mr David Limbrick

Mr Gary Maas

Mr Danny O'Brien

Ms Pauline Richards

Mr Tim Richardson

Ms Ingrid Stitt

Ms Bridget Vallenge



**WITNESSES**

Ms Lisa Darmanin, Secretary, and

Ms Michelle Jackson, Deputy Secretary, Victorian and Tasmanian Authorities and Services Branch, Australian Services Union.

**The CHAIR:** We welcome to the Australian Services Union to the Public Accounts and Estimates Committee's Inquiry into the Victorian Government's Response to the COVID-19 Pandemic. The Committee will be reviewing and reporting to the Parliament on the responses taken by the Victorian Government, including as part of the national cabinet, to manage the COVID-19 pandemic and any other matter related to the COVID-19 pandemic. All mobile telephones should now be turned to silent.

All evidence taken by this Committee is protected by parliamentary privilege. Therefore you are protected against any action for what you say here today, but if you repeat the same things outside this forum, including on social media, those comments may not be protected by this privilege. You will be provided with a proof version of the transcript for you to check, and verified transcripts, presentations and handouts will be placed on the Committee's website as soon as possible. The hearings may be rebroadcast in compliance with standing order 234. We ask that photographers and camerapersons follow the established media guidelines and the instructions of the secretariat.

We invite you to make a brief opening statement of 5 minutes. We ask that you state your name, position and the organisation you represent for broadcasting purposes, and then this will be followed by questions from the Committee relative to their representation at the table. Thank you for joining us.

**Ms DARMANIN:** Thank you for having us and for inviting the ASU to come and talk to you. My name is Lisa Darmanin. I am Branch Secretary of the ASU Victorian and Tasmanian branch, and my colleague Michelle Jackson is Deputy Secretary.

I will try and make some brief opening statements. We represent local government, social and community services, statutory authorities such as water, VicRoads and other public authorities. At the outset we would like to say that we appreciate some of the comments made by Premier Andrews and Minister Somyurek in terms of the importance of the work of local government in responding to the crisis and calling on councils to do their part to continue to provide jobs and critical community functions and also the extension of the Working for Victoria Fund through inviting local councils to participate, including redeployment of some of their own workers.

But in terms of our focus today, it is going to be on local government. We do think there are some issues that this pandemic has brought up that we want to see addressed. First of all, we believe that the sector needs a much stronger mandate to reduce casualisation and an inquiry to save labour costs and to provide better long-term economic security for employees in local government.

We found that the treatment of workers has varied from council to council from this pandemic. However, it has highlighted the particular problem of casualisation. We have just over 10 000 workers in local government in Victoria who are casual, which is about 20 per cent of the workforce. We believe close to 7000 of these have lost shifts. This has reduced due to the work that we have been doing but is still very high. So we think something needs to be done about that because we do not think that they are all properly classified as casual workers and their job insecurity is not acceptable.

We also need additional policy solutions to address the unwillingness of councils to borrow against their operating base, particularly in a council election year. Without additional statewide mandated solutions, we think there will be further job losses in the sector and workers will bear the brunt of revenue losses from a user-pays system. We believe that local councils themselves have a responsibility in this crisis to support their workers and their communities but that all levels of government need to bear some of the responsibility in this crisis.

The ASU is concerned that the willingness of councils to take on debt is hampered by their ability to raise revenue during an economic recovery as a consequence of the State Government's imposed rate cap on local councils. They do not have access to the same levers to increase their income as other levels of government do.

Standard measures for stimulating the economy, like cash handouts or lower interest rates, are more difficult to implement with so many businesses still shut down, but increasing funding to local government provides an alternative avenue for stimulus given these essential services are still operating, and we saw this through the GFC.

With that in mind, the ASU hopes that this Government will look at utilising their access to cheap debt as a result of the AAA credit rating to provide targeted stimulus to local government or to further facilitate and encourage low-cost loans for councils. We also believe that consideration should be given to at least a temporary reprieve from the rate capping regime to allow councils to service debt taken on in service of seeing them through this crisis.

Further to this, where construction is funded through local government, priority should be given to maintenance projects that are ready to go and can be completed by existing permanent local government workers, to ensure the continuity of the workforce, rather than contractors.

The final point I would make before going to questions is that the ASU believes that it is vital to apply a gender lens to the measures taken by the State Government in the recovery period. Local government and social and community services that we represent are well positioned to lead on gender equity, inclusion and diversity, and while investing in construction will undoubtedly be an important part of stimulating the economy, it is equally important to invest in services and community building.

In addition to physical building, we say that our members do the community building—so support services like aged care, early childhood, libraries and youth services, which have been historically seen as women's work and undervalued. The impact of this crisis on our community will not only mean these services are more important than ever but investment here would lead to the creation of new jobs in female-dominated and often lower paid workforces. The ABS data has shown that women are bearing a greater brunt of the job losses than men in this crisis, and that has to be factored into plans for recovery. Is that 5 minutes?

**The CHAIR:** It is 5 minutes. Thank you.

**Ms DARMANIN:** I almost got there.

**Ms STITT:** Welcome, Ms Darmanin and Ms Jackson, to the Inquiry. Before I start asking a few questions of you, I just wanted to acknowledge the really hard work of not just your members in local government, which is obviously a very important sector for frontline staff for the community, but also your members in social and community services, who are really helping some of the most vulnerable Victorians at the moment in drug and alcohol services, homelessness services, community outreach and social services. I am sure they are going through a pretty hard time, so best wishes to them on the job they have done so far.

If I can just ask you a little bit about the councils' responsibility for staff, which you touched on in your presentation, have councils been working closely with the union in relation to how they are responding to this crisis and the impacts on staff at each council?

**Ms DARMANIN:** Some have, and some have not. So with 79 councils across Victoria the response has been really mixed, and I think that has been part of our challenge. We have had some really shining examples of work in partnership with the workforce to address the issues of redeploying workers into other areas where their jobs have been closed down—like leisure, for example—and then we have seen some other really terrible examples where workers have been stood down pre-emptively and we have had to have a dispute about that. So the experience is quite varied across the state.

**Ms STITT:** In relation to those councils that have kept staff on throughout the pandemic, are there some good examples that you think have presented the best-practice model for how councils have treated their staff during the COVID crisis?

**Ms DARMANIN:** Yes. We have seen some really fabulous examples that span both large metropolitan councils and as well as tiny rural councils. So, for example, at Moreland City Council all staff—casual, full-time, part-time—continue to be employed and redeployed or, where there is not suitable work for them to be redeployed into, will continue to be paid throughout the period. There have been some really innovative things around changed delivery of service, like story time online and click and collect books for libraries and things like that.

At Yarriambiack shire, which is in the far north-west of Victoria and is very tiny with very small budgets and on the edge of financial sustainability, I spoke to the CEO, who told me that they have done absolutely everything they can to keep every single worker employed, including their casual staff, and have mapped what kind of work needs to be done in our community to make sure people continue to be employed, because they understand the social contract they have, particularly in regional and rural Victoria, where council is one of the main providers of good-quality, stable employment. Actually at Yarriambiack they are creating additional work for their community members in other areas of the community who have lost work as a result of COVID-19. So they are just a couple, but there are others.

**Ms STITT:** And are there actions that you have been advocating as a union that you think councils should take as a matter of course to protect jobs and livelihoods during the pandemic?

**Ms DARMANIN:** Yes. I think the key thing councils need to do is recognise their role in supporting their local communities, whether it is maintaining a beautiful park for the community who are all going out and using them now, much more than what I have seen in the past—they are our members, parks and gardens workers doing those jobs—but also working with their workforce to work up what are the creative solutions. We had some issues with Geelong city council early on—a very large regional council, a lot of jobs—that was going to stand down over 570 workers. After working with us and the workforce, they have redeployed just about everybody, and they are doing things like setting up welfare contact offices. So they are calling all of their workers who are working from home, isolated—mental health—putting people through family violence training to make sure they are checking in on their welfare. I could give you plenty of examples. But there is a lot of good stuff going on.

**Ms STITT:** Okay, that is great. Can I ask you about the Working for Victoria Fund. Have councils' partnerships with that State Government initiative through the Working for Victoria Fund given opportunities for your members to undertake work in response to COVID-19? Have there been some successful outcomes through that fund?

**Ms DARMANIN:** I think it is still early days. We have seen some announcements of additional work provided through the fund and the announcements the other week—last week, I think it was—around enabling councils who have basically exhausted all options to redeploy staff within their current abilities to access that funding to provide other opportunities. We believe that some of that is happening, but it is still fairly early days, so we will have to keep an eye on how that goes. But we are hopeful that that is what will be happening.

**Ms STITT:** And given the necessity of keeping both the workforce and the community safe during COVID and into the recovery phase, what steps are councils taking to prepare council staff returning to work and the opening up of some of the services that have been closed during the stage 3 restriction period?

**Ms JACKSON:** We have met with our delegates just today, and we think there is very little work that is happening at the moment. Well, if councils are working on reopening up the services, there is very little consultation going on with the staff. We met with the staff today and were speaking to them about ensuring that there was consultation. So that is a concern of ours, that there is no consultation, and particularly in relation to opening up libraries. There are a lot of concerns around opening up libraries, as you would expect. Libraries were one of the first services to close, because of the risk, and we need consultation when they are opening up again.

**Ms STITT:** You mean specifically around things like social distancing and protecting staff through hygiene measures and the like? Is that the kind of nuts and bolts consultation that you are seeking?

**Ms JACKSON:** Yes, there is all of the social distancing, there is access to things like hand sanitisers and there is discussion about whether they should have perspex screens, like supermarkets do. There are also a lot of issues with libraries. With libraries we get a lot of library patrons who are vulnerable members of the

community. Sometimes those library users are people with mental health issues, and we do have some issues with our members being able to cope with those, particularly users in the libraries. There are some libraries around the state that currently have security guards normally as part of their operation because of those kinds of problems, and there is a concern that those problems may be heightened when the libraries open up, particularly if library staff are being asked to enforce the number of users within the library or if they are being asked to enforce a time limit on those users in the library. There is a concern that these staff are not going to be able to deal with some of the library users.

**Ms STITT:** And in terms of personal protective equipment for some of your members who maybe have been working throughout the pandemic period, has there been adequate access in your view to equipment council by council? Has it been consistent across the councils?

**Ms JACKSON:** No, it has been really mixed. It has been very inconsistent.

**Ms STITT:** Have you been able to rectify those issues if you have raised them?

**Ms JACKSON:** In some instances, yes, we have.

**Ms STITT:** I would imagine that the large majority of your, for want of a better term, white-collar members in local government would be working from home throughout this period. Can you give us an idea of what sorts of measures have been put in place to ensure that that is being done in a safe way, in terms of health and safety standards working from home?

**Ms JACKSON:** Again, I would say very mixed across the state. It varies from council to council. But also the common thing that we have been hearing is the lack of consultation prior to councils making decisions and putting these measures in place.

**Ms DARMANIN:** If I could just add, I think the thing is there are 79 councils but they all do quite similar things. So I think what we are really observing at a macro level is the industry coordination is a bit lacking. That is nobody's fault. It is just the nature of how the councils operate. But it means that this kind of response and sharing of best practice and how you might do things is not as good as it could be.

**Ms STITT:** Yes. Because I was actually going to ask you whether there has been much discussion between the union and the municipal association, for example, because if these are common issues across the state—

**Ms DARMANIN:** There is. So we are in constant contact and working together where we can, which is excellent. We are a membership organisation, they are a membership organisation. Every council is in a different situation, so it is kind of tricky to enforce an edict—'Everybody must do X', for example.

**Ms STITT:** Has the union experienced large numbers of members from local government getting in touch with the union since the COVID-19 crisis hit in terms of concerns around job security?

**Ms JACKSON:** Yes. We have had a dramatic increase, in particular members ringing our contact centre. We have had to put extra resources into the contact centre because of the extra queries that we have had from members. I would say that is starting to slow down. At the start of the shutdowns it was a lot higher than what it is now. But having said that, every time there is some kind of announcement we usually get a spike in contact from members.

**Ms STITT:** In terms of the large number of your members that must be working from home and the isolation that that can sometimes cause and add to the mental health concerns out there in the workforce, what steps have councils been taking to ensure that your members working from home have remained connected to the workplace?

**Ms DARMANIN:** That was actually an issue that came up today in our delegates meeting. So we had 100 delegates from across Victoria all Zoom in on a meeting, which was good, and one of the issues that they raised was about mental health care. The delegates on today's meeting reported a whole range of initiatives that have been taken, and it varies from council to council. There is obviously access to EAP—I am just trying to think what the others were. A couple of times a week there were scheduled activities of some form, whether online or in workplaces where they are still able to gather following the rules, and specific sessions being held and bringing external professionals in to support staff. I know that one council have used a whole lot of

redeployed workers and some union delegates to train them in mental health first aid. One of their jobs as a welfare contact officer is to call all of the workers who are working from home once a week and just check in: ‘How are you going? What do you need? Do you need anything?’. So, yes, there are some good things happening out there.

**Ms STITT:** I wanted to ask you about some of your members who might be on long-term leave at the moment during this period—so for example, maternity leave or workers compensation or longer term sick leave. Have you noticed councils making an effort to keep those workers informed about changes that are going on, keeping them connected on what is happening in their work areas?

**Ms DARMANIN:** No, not that I am aware of. That is not something that has come up.

**Ms STITT:** Based on what I am hearing from you, do you think that there is some benefit in getting some consistent policies across the sector in relation to working from home—for example, some guidelines around mental health support for workers and that sort of initiative?

**Ms DARMANIN:** I think arising out of this, and this has been the commentary elsewhere, for those who can work from home, some have really enjoyed it, but others have not. I think there will be renewed thinking about how this can be implemented, and I do think that there needs to be proper protections for people, obviously for their mental health but also their physical health in terms of making sure they are ergonomically set up well and things like that if it is going to be a long-term proposition.

**Mr HIBBINS:** Thank you both for appearing today. Given that council workers are not qualifying for JobKeeper—and obviously many of them are unable to be redeployed through the local government or through the State Government scheme—would you be seeking direct State Government support for unemployed council workers at this point?

**Ms DARMANIN:** Yes, that is a good question. I did not get to cover that in my introductory statements. Our primary position is that we do not believe council should be standing down or not giving shifts to any worker, because we think that, as the Auditor-General has pointed out, councils are in a good financial position in Victoria. Even, as I said in the opening, where there are financial difficulties, if they can be demonstrated, then we think that as the third tier of government now is the time in a crisis where you need to think about what level of debt do you need to carry in order to provide economic stimulus to the community. So that is our primary position, but in the event that councils, you know, kind of exhaust those options and it is not possible, then we do not think it is fair that someone who is at a private leisure centre or MSAC, for example, as a casual worker accesses JobKeeper, but someone who works at Leisurelink in Geelong cannot.

**Mr HIBBINS:** I appreciate local government has been the main focus today, but could I go a bit broader just for a moment. We heard some evidence from the Treasurer earlier in these hearings that the base expenditure reviews have been deferred. That was the name given to the \$2 billion—increased to \$4 billion—efficiency dividends that were going to be in the budget. Do you have any views on whether that is still appropriate that the Government goes down that route, given that we are in a time of economic difficulty, and whether that is still an appropriate route for the Government to go down?

**Ms DARMANIN:** In what sense do you mean?

**Mr HIBBINS:** Do you have views on whether the base expenditure reviews should be deferred, should be continued with, should be cancelled? Do you have views on whether they should be in the upcoming state budget?

**Ms DARMANIN:** To be honest we have not really turned our mind to that. What we worry about is making sure people can continue to be employed and can continue to access the negotiated outcomes that they get as a public servant through their enterprise agreements and that they have ongoing job security. So to the extent that those things impact on the ability of those things to continue to be delivered, then we would say where they do not impact on those things then let them be as they are.

**Mr HIBBINS:** You mentioned before areas that you think should be focused on for economic recovery in local government. Can you provide some more information about that and expand on those?

**Ms DARMANIN:** Sorry, which bit?

**Mr HIBBINS:** Sorry. You indicated earlier that you felt there were areas worth the Government to invest in.

**Ms DARMANIN:** It is not sexy, but business as usual needs to continue. Whether it is provision of early childhood or in-home support in aged care, which local government plays a big role in, it is those kinds of things and making sure that councils are supported to continue to deliver those things as opposed to looking for opportunities to contract those services out, because there are active discussions and thoughts around aged care and early childhood in particular being a way to save money and that those services should be contracted out, so councils continuing to be in those services and deliver quality services. They are some examples. But the other things are, I guess, sort of close to the community shovel-ready projects like sporting clubs, parks and community maintenance and other community infrastructure around halls and facilities, which are the things that local government is set up to do and the workforce is skilled to be able to deliver. They are the kinds of things that they can upscale to provide more work in those areas.

**Mr HIBBINS:** Terrific. Fantastic. No further questions, thank you.

**Mr D O'BRIEN:** Good afternoon. Can I just clarify, we had the MAV in just a moment ago and they indicated they understood about 5000 casuals and about 700 full-time council staff had lost their jobs. Would you corroborate that, or do you have any different figures?

**Ms DARMANIN:** I would say they are probably similar. It is a bit of a moving feast. We think at the height the total number was around 7000. As a result of everybody getting used to what is going on and also some disputes around us challenging councils and saying, 'We don't think that's acceptable', the numbers have come down and every day they change. I think they would be broadly right, but yes, it is—

**Mr D O'BRIEN:** Is there a sign yet of those people being put back on, irrespective of your efforts or anything? In terms of the gradual easing of restrictions, is it starting to turn around at all for councils?

**Ms DARMANIN:** Michelle might want to add to this, but I think probably not quite yet. I think what has happened is the numbers have come down a bit because of the creative thinking around how else people could be redeployed, because the major leisure centres are still closed, libraries are still closed, community halls, museums, visitor information centres are all still closed so those people cannot go back to their jobs. So I think it is just that we have hit the level of creativity around redeployment and the number that is stuck there is now going to be stuck there until we can find some other solutions.

**Mr D O'BRIEN:** Speaking of which, on 6 May you put out a media release 'Treasurer Tim Pallas abandons casual council workers'. Have you had any joy since then in calling on the State Government to do more to support council workers?

**Ms DARMANIN:** I think since then we have seen some changes to the Working for Victoria program, and I think I sort of touched on that earlier. We are looking forward to seeing some council workers being able to be redeployed into that work with that additional funding. But obviously with that high number of casuals, and some of those people we think are not properly classified as casuals and are probably doing permanent work, there is more to be done in that space.

**Mr D O'BRIEN:** You called in that media release on the Premier to personally intervene. Have you been able to speak directly with the Premier about it?

**Ms DARMANIN:** No, I have not.

**Mr D O'BRIEN:** Has he personally intervened in any way, shape or form that you can see?

**Ms DARMANIN:** Not to this point, no.

**Mr D O'BRIEN:** Okay. You might not be on the Treasurer's Christmas card list either.

**Ms DARMANIN:** I have not seen it. He may have with others, but not with us.

**Mr D O'BRIEN:** What more do you think the State Government could do to assist, and like Mr Hibbins, not just council workers but your members more broadly, particularly in the government sector?

**Ms DARMANIN:** Well, I think I have talked quite a bit about local government, so I can talk about the other sectors, if you like, and if I have not covered enough on local government I can. In the public sector—so the water authorities, VicRoads, for example—one of the things that we are seeing is the unacceptably high-level use, particularly at VicRoads, of agency workers. These are people that are employed through a labour hire company that do work for VicRoads, and some of them have been labour hire workers for years. They are not labour hire; they do work for VicRoads and only VicRoads, and we say that those workers need to be converted to permanent staff. So we are seeing a particular problem there. Two hundred and sixty of the 970 FTE at VicRoads in February were agency staff. We just think that is too high.

**Mr D O'BRIEN:** Two hundred and sixty of 970 at VicRoads—

**Ms DARMANIN:** Nine hundred and seventy-five FTE.

**Mr D O'BRIEN:** across the whole state?

**Ms DARMANIN:** Yes. So that would be one. And then I think in community services—I mean, our members in community services are reporting, you know, as you would expect, they are very busy. So they are mostly doing more work in response, to support our community. But I think particularly in areas like family violence, for example, the announcement of additional funding is great, but often these announcements are on a short-term basis, which does not provide job security. So they are project or pilot projects or funding sources and they are not ongoing. So it means that workers are being put on fixed-term contracts and they have no long-term job security. So what we would like to see is a mind to looking at funding and service agreements that are longer in length, that provide job security for people, because they are doing really hard work. Also I think they suffer—suffer is not the right word—they experience vicarious trauma through the work that they do, and at this time they are seeing more of it. And often our members are the ones who are having to go out when other public servants are not to deal with specific heightened crisis situations in family violence and mental health, and the impact on them is going to be quite a bit greater as they deal with these challenging situations. So support in that regard is also important for them.

**Mr D O'BRIEN:** We have actually had reports of some State Government community services workers losing work, as in dropping from 30 hours week to 10 hours a week. Obviously family violence would be a different issue, but have you had that sort of feedback at all?

**Ms DARMANIN:** I am not sure. Is there a specific area you are talking about?

**Mr D O'BRIEN:** Well, no. Community services, but not a particular one. If you think the opposite, that they have—

**Ms DARMANIN:** Not that I have heard. I think they are sort of doing more, not less.

**Mr D O'BRIEN:** Okay. Has the union actually frozen fees for members as a result of the hardship on many workers?

**Ms DARMANIN:** We are still doing our budget for next year and we are thinking about that at the moment.

**Mr D O'BRIEN:** Just quickly, I think you said in your introduction the union are actually calling for a temporary reprieve from rate capping but also that the Auditor-General found that councils are actually in a pretty good position. Again, probably put your hat on as representatives of workers who are paying council rates. Do you have a view on where council rates should be going?

**Ms DARMANIN:** Well, in some ways that is a question for the councils, but I think people have got different experiences through this crisis. There are people still working and there are people who are not. So I think what is really important is that there are appropriate hardship policies in place so that people who cannot pay their rates are looked after, but I also think that people who are still being paid their salaries should continue to pay.

**Mr D O'BRIEN:** And finally, notwithstanding my earlier question about the Premier and the Treasurer, have you had good access to State Government and are there any particular issues that you have raised that you just have not had addressed or remain outstanding?

**Ms DARMANIN:** No, we have had good access and good conversations. We do not always get the answers we want but we will keep advocating for our members because we think they do really important work. We will never shy away from continuing to do that and there is always more to be done. And I think overall, as I said before, this is a situation where everybody needs to show leadership in a collective sense, and with 79 across the state it is incredibly challenging but we have to see past that to work out what is best for everybody in order to get a good outcome for everybody. So leadership is critical.

**Mr D O'BRIEN:** No worries. Thank you. Nothing further.

**The CHAIR:** Thank you very much to the Australian Services Union for appearing before our Committee today. The Committee will follow up with any questions which may have been taken on notice in writing, and responses will be required within five working days of the Committee's request. We declare this hearing adjourned and thank all witnesses who have given evidence to the Committee today, Hansard and the secretariat.

**Committee adjourned.**