



**Government
of South Australia**

**Minister for
Industrial Relations**
Minister for Finance
**Minister for
Government Enterprises**
**Minister for
Recreation, Sport and Racing**

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REFERENCE:
07SF00007/FIN (2) 07/03444

Ms Jan McMahon
General Secretary
Public Service Association of SA Inc
GPO Box 2170
ADELAIDE SA 5001

Dear Ms McMahon

Thank you for your recent letter to the Premier, Hon Mike Rann MP, regarding shared services reform in the South Australian public sector. As this matter is within my portfolio responsibilities, the Premier has asked me to respond on his behalf.

You have sought details as to the proposed timing for the implementation of shared services and processes for communicating possible transition dates to staff. I note your concerns in relation to the absence of a set timetable for the transition of services.

At this stage, Government is yet to consider and approve a detailed implementation proposal for shared services which includes firm dates for transition. As you are aware, significant work is being undertaken in this area and I am hopeful that a proposed approach and implementation strategy can be approved in the coming weeks.

As soon as this occurs, a briefing will be provided to the PSA which articulates the overall approach to implementation, strategies for managing transition and expected timeframes. Subject to the overall implementation strategy being approved, it is expected that transition of potential priority areas of accounts payable, accounts receivable and payroll will be able to commence during the first quarter of 2008.


I understand that information has already been provided to you in relation to the "discovery process" which is being undertaken in relation to the potential priority areas. This process forms a key part of the pre-transition activities, however, significant further work will need to be done before transition of staff or services can occur. I am advised that this work will include designing a more detailed consultation framework and program of agency briefings as well as developing principles for workforce transition.

I am further advised that all of these issues will be the subject of consultation and discussion with the PSA.

The Shared Services Reform Office will also continue to consult with the PSA through the Workforce Consultative Group which was established early in 2007 as part of the consultation arrangements for shared services.

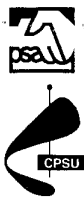
I trust that the above information is of assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read "Michael Wright". The signature is fluid and cursive, with a large initial "M" and "W".

Michael Wright MP
MINISTER FOR FINANCE

20/11/2007



Public Service Association of SA Inc

Community and Public Sector Union · SA Branch · SPSF Group

30 November 2007

Hon Michael Wright, BEd, MP
Minister for Administrative Services and Government Enterprises
Minister for Industrial Relations
Minister for Recreation, Sport and Racing
GPO Box 1072
ADELAIDE SA 5001

Dear Minister

GOVERNMENT SHARED SERVICES

The Public Service Association (PSA) is in receipt of your letter dated 20 November 2007 regarding the above matter.

Unfortunately, your letter fails to address fundamental concerns raised by the PSA, on behalf of its members, relating to Shared Services.

Furthermore, there is no commitment to an 'in-principle agreement' that employees will not be subjected to inferior working conditions or suffer financial disadvantage as a result of transition to Shared Services.

Specifically, it is alarming that the Government is yet to consider and approve a detailed implementation proposal for shared services, which includes dates for transition, yet the Department of Treasury and Finance have advised on several occasions that the transitions will commence late February 2008.

Your correspondence omits commitments to address any concerns raised by members who are considered "in scope" as it relates to Shared Services.

For example, the PSA is continuing to highlight concerns regarding conditions of employment and the additional financial costs members will have as a result of being required to transition to the newly established Shared Services SA. As advised in the PSA correspondence of 1 November 2007, items such as additional travel costs, relocation costs if regional employees choose to move, impact on Salary Sacrifice arrangements for health workers, child care costs, superannuation schemes, workforce planning and classification matters have not been addressed.

It is the view of the PSA that those functions currently performed in regional locations should continue to be performed in these locations, and not transferred to Adelaide. This is clearly a Government policy matter, not an issue for Shared Services SA.

The PSA also awaits a response to its proposal that Health workers continue to be Health employees, even if made available to Shared Services SA, as a means of ensuring that they do not suffer any loss in take-home pay.

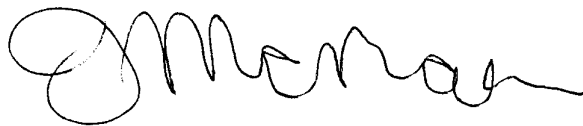
It is concerning that such fundamental issues remain unresolved.

Clearly, members are entitled to transparent and meaningful consultation to enable informed decision making processes to occur which will affect their future employment.

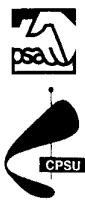
Given that many employees take leave during the Christmas and New Year period, it is not feasible to proceed with a transition of services in the time frame outlined by Treasury officials. Subsequently the PSA seeks an assurance that all time lines are reviewed and modified to ensure they are fair, realistic and achievable.

If such a commitment is not forthcoming, PSA members will consider further action as required.

Yours faithfully

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JAN McMAHON
GENERAL SECRETARY



Public Service Association of SA Inc

Community and Public Sector Union · SA Branch · SPSF Group

30 November 2007

Mr Jim Wright
Under Treasurer
Department of Treasury and Finance
GPO Box 1045
ADELAIDE SA 5001

Dear Mr Wright

RE: GOVERNMENT SHARED SERVICES

The Public Service Association is writing to you regarding ongoing concerns over the introduction of Shared Services in the South Australian public sector. The proposal to implement Shared Services was announced during the 2006 September State Budget, yet over a year later, there is still no substantial information regarding the implementation, and a significant number of outstanding issues are still awaiting resolution. It is totally unsatisfactory that these matters have not been resolved.

Recent correspondence from Minister Wright dated 20 November 2007 stated *“At this stage, Government is yet to consider and approve a detailed implementation proposal of shared services which includes firm dates for transition.”*

Given this situation the PSA believes any transition should not proceed until the issues raised on behalf of PSA members are satisfactorily addressed. These need to be the subject of discussion and negotiation. Most matters the PSA has raised to date have simply been noted, without any attempt to genuinely progress the issues.

The issues have been comprehensively documented in previous correspondence and at meetings held with your representatives and representatives of Shared Services SA. The following is a summary:

- No response from Government on PSA's request for a review regarding the inclusion of regional functions in shared services given the impact on positions and regional communities.
- Commitment to no forced relocation.
- Salary Sacrifice, particularly a response to the PSA's proposal that health employees are made available to Shared Services SA, but do not change employer to ensure continuity of salary sacrifice arrangements.
- Confirmation on which positions have been identified “in scope”.
- Discussions with Country Health regarding regional health units who deal with Commonwealth funded aged health care.
- Superannuation and dealing with members who have access to special arrangements, eg Repatriation General Hospital employees and the Metropolitan Fire Service scheme.

- No agreement on Human Resources Principles, Regional Principles or Consultation and Engagement Strategy.
- No commitment that members will not be worse off, including existing access to flexitime arrangements, access to car parks, pre paid gym fees in current location etc.
- No commitment to address additional costs incurred as a result of transferring, including travel costs/times, incentives for regional employees to move.
- No commitment that members relocating households will not be declared excess following subsequent restructure.
- Access to child care not addressed, including extra hours for metro members.
- Details on wording of proclamation to transfer employees between agencies not yet provided.
- No indication of how services will be maintained or workloads addressed.
- Classification issues not addressed, including outstanding reclassifications and disparity between agencies on classification of positions.
- New Government redeployment policy not finalised.
- Converting part time FTE positions to be transitioned.
- No indication of organisational reporting lines and supervision following transition to shared services.
- Maintaining service provision and risk management policies for transition.
- Workforce planning in skilled shortage areas and commitment to training and development.
- How Shared Services SA will ensure it is an employer of choice.

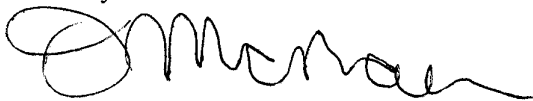
These are critical issues which need to be resolved before individuals, including those in Group 1, even consider transitioning. This is essential both in terms of good human resource management which adhere to industrial agreements, and to ensure the provision of a seamless service throughout the transition.

Given many employees take leave during the December 2007 and January 2008 period, it is not feasible, and not fair to employees, to proceed with a transition of services. The PSA therefore requests timelines are reviewed to ensure they are fair, realistic and achievable.

Failure to review timelines will mean PSA members will need to consider their response to the Government's proposal, including consideration of an industrial campaign.

The PSA looks forward to your responses on these issues.

Yours faithfully



JAN MCMAHON
GENERAL SECRETARY

cc: *Hon Michael Wright MP*
Kate Stephens, Manager, Workforce Relations Shared Services SA



Public Service Association of SA Inc
Community and Public Sector Union · SA Branch · SPSF Group

6 December 2007

Mr Jim Wright
Under Treasurer
Department of Treasury and Finance
GPO Box 1045
ADELAIDE SA 5001

FAXED
6/12/07

Dear Mr Wright

GOVERNMENT SHARED SERVICES

The Public Service Association (PSA) is in receipt of your letter dated 5 December 2007 in relation to the above matter.

Disappointingly, your most recent correspondence fails to respond directly to concerns raised by the PSA on previous occasions, both verbally and in writing, which were yet again highlighted in the PSA's correspondence of 4 December 2007.

It is the PSA's view that the lack of definitive answers to fundamental questions is reflective of the consultative process to date. It is unacceptable that affected employees are not provided with meaningful and genuine responses to their concerns, prior to the commencement of any transition process.

In relation to this week's proposed meeting with Treasury representatives, it would be remiss of the PSA not to articulate the facts in this matter. Firstly, the PSA never refused to meet, but rather proposed that the date and time of a meeting needed to be determined with a commitment that any future meetings centred on negotiations regarding outstanding matters raised by the PSA, with Treasury representatives present authorised to make decisions.

Clearly, it is imperative that any consultation process is genuine and meaningful. It has become apparent that there has been a failure to discuss matters in a transparent and genuine manner.

Notwithstanding the above, the PSA is keen to meet with Treasury representatives that have the authority to negotiate outstanding matters, as described in the PSA's letter of 4 December 2007.

Subsequently, the PSA invites Treasury representatives to a meeting on Monday 10 December 2007 at 1.30pm at the PSA to enable meaningful consultation on critical outstanding matters.

Should you have any queries, please do not hesitate to contact my office on 8205 3220.

Yours faithfully

JAN McMAHON
GENERAL SECRETARY



Government of South Australia

Department of Treasury
and Finance

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Tel 08 8226 9500
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ABN 19 040 349 865

7 December 2007

Ms Jan McMahon
General Secretary
Public Service Association of SA Inc
GPO Box 2170
ADELAIDE SA 5001

Dear Ms McMahon

Shared Services

Reference is made to your correspondence of 6 December 2007 in relation to the above matter.

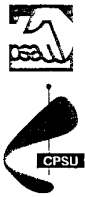
I note your comments regarding the level of consultation and the responses that have so far been provided to the matters raised by your organisation. The Department of Treasury and Finance have addressed every issue raised by the Public Service Association. In some cases there is further work to be done but we are consulting with you as frankly and openly as possible.

I reiterate that while DTF views its consultation obligations seriously, such consultation processes do not require that all matters be agreed between the parties.

Consistent with my correspondence of 5 December 2007, I consider that there would be benefits to be gained through further discussions. Treasury and Finance is responsible for conducting consultation with employees and unions. Consequently we will take responsibility for organising meeting times and venues. In terms of next week we cannot meet on Monday 10 December. The possible times are 12 noon on 11 December or 2 pm on 13 December. The venue would be Level 8 State Administration Centre. Please let my office know if either of these times are suitable by calling 8226 9572.

Yours sincerely

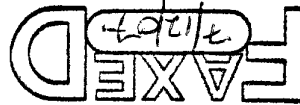

Jim Wright
UNDER TREASURER



Public Service Association of SA Inc
Community and Public Sector Union · SA Branch · SPSF Group

7 December 2007

Mr Jim Wright
 Under Treasurer
 Department of Treasury and Finance
 GPO Box 1045
 ADELAIDE SA 5001



Dear Mr Wright

GOVERNMENT SHARED SERVICES

The Public Service Association (PSA) is in receipt of your letter dated 7 December 2007, in relation to the above matter.

Following discussions between Treasury representatives and Simon Johnson of this office, the PSA wishes to confirm that a meeting will be conducted next Friday 14 December 2007 at 9:00am, at Level 8 State Administration Centre.

It ought to be noted that these meetings have been scheduled on a regular basis on the Monday of every week. The PSA reiterates the importance that any future meetings focus on negotiations regarding outstanding matters raised by the PSA, with Treasury representatives present that are authorised to make decisions.

The PSA looks forward to constructive and genuine consultations. Employees affected by Shared Services are entitled to transparent responses to concerns that have been raised on a continual basis.

Yours faithfully

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JAN McMAHON
GENERAL SECRETARY