

Senate Select Committee on Job Security

Responses to written questions on notice

1. What number and percentage of your department/agency's workforce are labour hire?

Staff engaged via labour hire arrangements are predominantly engaged to fill short-term labour gaps at short notice in processing, transport and delivery operations, and are typically engaged and managed locally. In that context, it is estimated that around 1,600 staff, or 3% of employees and the extended delivery workforce, are engaged via labour hire arrangements – typically to fill short-term labour gaps at short notice in processing, transport and delivery operations.

2. What number and percentage of your department/agency's workforce are contractors?

It is estimated that around 17,300, or 37% of employees and the extended delivery workforce, are contractors – ie delivery contractors engaged on standard form contracts (some of which are registered contractor agreements in relevant jurisdictions) and their employees and sub-contractors; white collar contractors; and facility management contractors.

3. Which companies does your department/agency have contracts with for the procurement of labour hire and/or contract employees, and what is the value of those contracts?

The Australia Post Group (which includes both Australia Post and StarTrack) currently has contracts with 10 labour hire or contract staffing agencies. The value of these contracts for financial year 2019-20 is shown below.

Vendor Name	Value (excluding GST)
APS GROUP	\$273,660.36
CHANDLER MACLEOD GROUP	\$1,548,878.09
IPA PERSONNEL SERVICES	\$10,550,041.75
KELLY SERVICES AUSTRALIA	\$1,213,503.01
PEOPLEBANK	\$50,141,580.40
PROGRAMMED SKILLED WORKFORCE	\$3,998,662.99
RANDSTAD	\$5,437,014.09
SOS TRANSPORT	\$2,511,891.67
TALENT INTERNATIONAL	\$36,578,917.03
ZOOM RECRUITMENT AND CONSULTING	\$13,395,192.83

4. The extent to which labour hire and contractors are for seasonal or temporary work and how this changes over the course of a year?

Labour hire staff & contractors are engaged throughout the year though there are seasonal requirements – typically to support peak periods of service demand (for example, around Christmas). This seasonality need is also supported via a directly employed casual workforce that doubles over the peak Christmas period, however delivery contractors in particular tend to be engaged in higher volume over the peak Christmas periods.

5. What guidelines are in place covering the procurement of these labour hire services?

Australia Post has carefully curated a panel of labour hire agencies with due diligence conducted on each agency and a master services agreement in place with each agency ensuring they hold all relevant labour hire licenses required under relevant laws, comply with all workplace laws, and cooperate with a regular auditing regime conducted by Australia Post to assess their compliance with workplace, superannuation and immigration laws.

The engagement of actual workers is based on demand management and distinct facility requirements. Any engagements of an agency not on our panel are flagged and assessed by the organisation's procurement team.

Each of our key operational enterprise agreements require that all of Australia Post and StarTrack's labour hire workers receive the same pay as those employees on those enterprise agreements – a requirement that we ensure each panel agency complies with by: reviewing their rates of pay each year; auditing their compliance with this obligation; and expressly requiring the agency to provide reports that includes hours worked and amounts paid to personnel as a mandatory performance standard.

6. What guidelines are in place covering the procurement of these contractor services?

Australia Post sources or retains contractors via mature commercial frameworks using a range of sourcing strategies, including the following processes:

- open public tender – typically advised to local known contractors as well as being advertised in local print media (ie local newspapers);
- invitation to tender (closed tender) – typically extended to existing contractors; and
- direct negotiation – inviting current contractors to directly negotiate a new term on an existing contract held by them.

All tender processes are managed in accordance with procurement policies and standards and each tender is assessed thoroughly to ensure that the rate a contractor proposes to pay their workers complies with workplace laws.

Each agreement entered into with a contractor is via a standard form contract that has been structured to ensure that every worker who performs work for / on behalf of Australia Post is paid in accordance with workplace laws. Additionally, each agreement provides that Australia Post can conduct audits for the purpose of making sure contractors are complying with workplace laws with respect to their workers.

7. What consultants or other recruitment services are used to procure these workers, the cost of these services and the companies providing them?

All labour hire services and contractors are managed internally and directly with labour hire agencies or principal contractors respectively. No external recruiter or consultants are used as part of the procurement of labour hire or contractors.

8. Provide a breakdown of the number of labour hire workers and contractors engaged in each state and territory.

The figures below are estimates only, are based in part on historical information, and are organised to include information about the State or Territory of engagement where that information is available from central records.

Jurisdiction	Contractor	Labour Hire
ACT	193	7
NSW	5,023	191
NT	58	5
QLD	5	206
SA	4,441	37
TAS	991	60
VIC	489	1,107
WA	6,792	32
Other	10,331	-