

**Subject:** APSC Response - Select Committee on Job Security - Additional questions on notice - 17 September 2021  
[SEC=OFFICIAL]  
**Date:** Friday, 1 October 2021 11:22:57 AM  
**Attachments:** [image002.png](#)  
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## **OFFICIAL**

Good morning,

On behalf of Mr Hetherington, Mr Lovelock and Mr Spaccavento, please see Australian Public Service Commissions (APSC) response to the Additional Questions on Notice attached.

As per attached email, APSC have addressed six of the sixteen questions provided. Department of Finance will address the following remaining questions:

- Question 1
- Question 2
- Question 3
- Question 6
- Question 9
- Question 10
- Question 11
- Question 12
- Question 13
- Question 14

If you require further information or clarification, please don't hesitate to contact me.

Thank you,

**Australian Public Service Commission**

**SENATE SELECT COMMITTEE ON JOB SECURITY**  
**ANSWERS TO QUESTIONS ON NOTICE**  
Public Hearing – 27 August 2021

Prime Minister and Cabinet Portfolio

**Department/Agency:** Australian Public Service Commission

**Outcome/Program Group:** Public Hearing – Senate Select Committee

**Topic:** Job Security

**Senator:** Tony Sheldon

**Question reference number:** Question 4

**Type of question:** Written

**Date set by the committee for the return of answer:** 1 October 2021

**Number of pages:** 1

**Question:**

Does the Department, or the Commission, have any evidence to substantiate their claims that labour hire is being used exclusively for surge and short-term work?

**Answer:**

The Commission is aware that agencies utilise a mix of ongoing, non-ongoing and labour hire staff to respond to operational surge demands. In the last two years these demands include responding to the COVID-19 outbreak and bushfire emergencies. The most recent workforce data, as at 30 June 2021, shows that in the year prior there was an increase of 9.9 per cent in non-ongoing employees in the APS. Non-ongoing employment consists of three distinct subgroups: specific term, specific task and irregular or intermittent (casuals).

More than half (57.4 per cent) of non-ongoing employees are employed for a specified term or task. The remainder are employed casually.

Examination of the workforce data provided by agencies' HR systems shows that most of the increase in non-ongoing employees has been in service delivery roles, which is also where our Surge activity has been required.

**SENATE SELECT COMMITTEE ON JOB SECURITY**  
**ANSWERS TO QUESTIONS ON NOTICE**  
Public Hearing – 27 August 2021

Prime Minister and Cabinet Portfolio

**Department/Agency:** Australian Public Service Commission  
**Outcome/Program Group:** Public Hearing – Senate Select Committee  
**Topic:** Job Security

**Senator:** Tony Sheldon  
**Question reference number:** Question 5  
**Type of question:** Written  
**Date set by the committee for the return of answer:** 1 October 2021

**Number of pages:** 1

**Question:**

As is noted in the CPSU's submission:

*“The situation in the NDIA is particularly worthy of examination in this Inquiry. An FOI document released in October 2020 revealed that the NDIA has 21 SES and over 200 Executive Level staff engaged through labour hire arrangements – this is more than 50% of the SES and more than 30% of the Executive Level staff.”*

Is it appropriate that more than half of SES Level roles in the NDIA are or were being filled by labour hire, and is it typical that 50% of SES level roles in an agency would be classified as surge or short-term?

**Answer:**

Decisions about workforce composition are made by agency heads. Agency heads are best placed to determine the appropriate workforce composition to ensure their agency is best placed to deliver business outcomes.

The Commission does not hold information on the percentage of SES roles in agencies that have been classified as surge or short-term.

**SENATE SELECT COMMITTEE ON JOB SECURITY**  
**ANSWERS TO QUESTIONS ON NOTICE**  
Public Hearing – 27 August 2021

Prime Minister and Cabinet Portfolio

**Department/Agency:** Australian Public Service Commission  
**Outcome/Program Group:** Public Hearing – Senate Select Committee  
**Topic:** Job Security

**Senator:** Tony Sheldon

**Question reference number:** Question 7

**Type of question:** Written

**Date set by the committee for the return of answer:** 1 October 2021

**Number of pages:** 2

**Question:**

At the hearing, Mr Hetherington referred to the results of an annual survey of the Public Service, saying:

*“The vast majority, some 95 per cent, say they’re satisfied with the stability and security of their job.”*

- a. Were people engaged by labour hire, on in other external employment or contracting arrangements included in this survey?
- b. Were casual APS employees included in this survey, and if yes, how did their response rate compare with permanent employees?
- c. Has the APSC ever polled workers in the APS engaged through labour hire or other external arrangements about their attitudes towards their employment status? And if so, please share the results.
- d. Has the APSC ever polled APS employees about their feelings or perceptions towards the use of labour hire in the APS, and if yes, please share the results, and if not, why not?

**Answer:**

- a. Agencies set their own exclusion criteria regarding which employees are invited to participate in the APS Employee Census. There were 48 agencies (about 1 in 2) that invited contractors to complete the 2021 survey. There were 6,755 respondents to the 2021 APS Employee Census that identified as being a contractor.
- b. The Commission permits agencies to choose whether or not to include staff employed on a casual, intermittent or irregular basis. There were 2,605 APS participants who identified themselves as ‘casual, intermittent or irregular’

when responding to the 2021 survey. The response rate is not able to be separated by casual versus permanent, as the number of casual employees invited is not recorded. However, the APS overall response rate in 2021 was 77 per cent, which includes both casual and permanent employees.

- c. The Commission has not surveyed non-APS employees (i.e. workers in the APS engaged through labour hire or other external arrangements) as a separate cohort about their attitudes towards their employment status.
- d. The Commission has not surveyed APS employees about feelings or perceptions towards the use of labour hire in the APS. Through engagement with agencies when developing the *APS Workforce Strategy 2025*, the Commission acknowledges that when used effectively in appropriate circumstances, non-APS workers can provide significant benefits to agencies to help them achieve their outcomes. Non-APS workers can also provide access to specialist and in-demand skills to supplement the APS workforce in peak times in business cycles.

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Public Hearing – 27 August 2021

Prime Minister and Cabinet Portfolio

**Department/Agency:** Australian Public Service Commission  
**Outcome/Program Group:** Public Hearing – Senate Select Committee  
**Topic:** Job Security

**Senator:** Tony Sheldon

**Question reference number:** Question 8

**Type of question:** Written

**Date set by the committee for the return of answer:** 1 October 2021

**Number of pages:** 1

**Question:**

At the hearing, Ms Hall said:

“My understanding is that the way these arrangements work is that the pay rates applicable to engaging someone through a labour hire arrangement are the same as through an ongoing employment arrangement and then there’s the application of on-costs and the service provider margin in addition to the direct salary.”

- a. Please clarify where it is stipulated that people engaged through labour hire arrangements must receive the same pay rates as direct ongoing APS employees.
- b. If a requirement for same pay does exist, please confirm that labour hire is inevitably more expensive than direct employment, due to the extra imposed on-costs and service provider margin.

**Answer:**

The Commission has not issued any central policy or guidance that prescribes that labour hire contracted rates must match the same pay rates as direct ongoing APS employees.

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Public Hearing – 27 August 2021

Prime Minister and Cabinet Portfolio

**Department/Agency:** Australian Public Service Commission

**Outcome/Program Group:** Public Hearing – Senate Select Committee

**Topic:** Job Security

**Senator:** Tony Sheldon

**Question reference number:** Question 15

**Type of question:** Written

**Date set by the committee for the return of answer:** 1 October 2021

**Number of pages:** 1

**Question:**

Does the APSC, or the Department, ever audit or inspect the conditions of work and compliance with APS standards and workplace laws at labour hire companies operating within the APS?

- a. If yes – how many of these audits, inspections or reviews have taken place over the last 5 years, and what was the outcome for each?

**Answer:**

The Commission has no role in auditing Commonwealth labour hire arrangements.

Under the Commonwealth Procurement Rules, Officials must make reasonable enquiries to ensure all procurement is carried out considering relevant regulations and/or regulatory frameworks, including but not limited to tenderer's practices regarding labour regulations, including employment practices and workplace health and safety. This is the responsibility of the each Commonwealth entity or company undertaking procurement.

**SENATE SELECT COMMITTEE ON JOB SECURITY**  
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Public Hearing – 27 August 2021

Prime Minister and Cabinet Portfolio

**Department/Agency:** Australian Public Service Commission  
**Outcome/Program Group:** Public Hearing – Senate Select Committee  
**Topic:** Job Security

**Senator:** Toni Sheldon

**Question reference number:** Question 16

**Type of question:** Written

**Date set by the committee for the return of answer:** 1 October 2021

**Number of pages:** 2

**Question:**

When asked about data provided by AMSA which shows costs for labour hire workers being \$20,000-\$28,000 more, per annum, per employee than direct employment (representing an increased expense of 25%), Mr Hetherington said:

*“It might be worth paying a premium to secure a workforce that you don’t need in the long term rather than bringing on ongoing APS employees.”*

Mr Yannopoulos added:

*“When considering value for money, an official is considering both the financial and the non-financial benefits. An example of a non-financial benefit is not hiring a person permanently for work that’s not ongoing.”*

- a. How should AMSA or any other APS Department or Agency go about quantifying the benefit of substituting permanent employment for temporary labour hire engagement?
- b. Is a 25% premium to circumvent ongoing employment obligations good value for money?
- c. When considering financial and non-financial benefits, should an official also consider the benefits (or detriments) for the worker filling that role (eg. their preference for secure, ongoing employment)?



**Answer:**

Decisions relating to agency staffing composition and costs are a matter for agency heads.

The Commission does not provide direction or guidance for agencies in relation to use or cost of labour hire.

The Public Governance, Performance and Accountability Act (PGPA) 2013 and the Commonwealth Performance Framework set out the governance and accountability mechanisms of Commonwealth entities. The Department of Finance is responsible for the implementation of these legislative frameworks.