

## **Senate Standing Committees on Finance and Public Administration**

The current capability of the Australian Public Service (APS)

PUBLIC HEARING 20 JULY 2021

### **ANSWER TO QUESTION ON NOTICE**

Social Services Portfolio  
Services Australia

**Topic:** Budget ASL cap

**Question reference number:** IQ21-000077

**Member:** Tim Ayres

**Type of question:** Spoken. Hansard Page/s: 40

**Date set by the committee for the return of answer:** 3 August 2021

#### **Question:**

CHAIR: Thank you. I have a series of questions for you, and Senator Chandler may do as well, and we'll work through those over the afternoon. In the 2021-22 budget there was a modification of the ASL cap for Services Australia. Could you set out what that was and how that is proposed to operate in an agency with a very significant staff footprint?

Mr Nelson: I'll have to come back to you on the specifics of it. In really rough terms, if you like, there was a requirement for some of our budget measures and projects to be completed at the end of the financial year, and this was establishing other budget measures to be delivered during the coming financial year. I'll just have to get you the specifics of that, if that's okay.

CHAIR: What's the number? What's the reduction?

Mr Nelson: It's approximately 800. It's 800 off and 800 on, so essentially the numbers are not too different from what they were.

CHAIR: Was Services Australia informed of any changes prior to the delivery of the budget?

Mr Nelson: I'd have to take that on notice, Senator. I wasn't privy to any conversations.

#### **Answer:**

Services Australia (the Agency) was at the forefront of the Australian Government's response to the COVID-19 pandemic. During the height of the pandemic, the Agency experienced unprecedented demand on its services.

In response, the Government agreed to the Agency temporarily increasing its workforce, so Australians could quickly get the support that they need. With the help of these additional staff, the Agency was able to process approximately 1.3 million job seeker claims in 55 days – double the usual number of claims assessed over two years. This included processing more than 53,000 claims in a single day.

The Agency remains committed to Australians in these uncertain times, and will ensure it has the workforce required to effectively deliver Government services as a result of the COVID-19 pandemic. The 2021-22 Budget currently sets the Agency's ASL cap at 26,838. Any adjustments to the Agency's 2021-22 ASL cap due to the delivery of COVID-19 disaster payments will be made in consultation with Government.

As the economy improves over time as outlined in the 2021-22 Budget, the demand for Government services will gradually normalise to pre-pandemic levels. Accordingly, the Agency ASL cap will be adjusted annually to meet the needs of its customers. Services Australia will continue to manage against its allocated budget utilising an agile workforce mix.

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ANSWER TO QUESTION ON NOTICE

Social Services Portfolio  
Services Australia

**Topic:** Labour hire contracts

**Question reference number:** IQ21-000080

**Member:** Tim Ayres

**Type of question:** Spoken. Hansard Page/s: 45

**Date set by the committee for the return of answer:** 10 August 2021

## **Question:**

CHAIR: You know what you're paying them, but you don't know what they are paying their staff?

Mr Nelson: No, we do not.

CHAIR: You don't have any requirements, apart from, obviously, that they have to comply with the law?

Mr Nelson: I don't have visibility of that. I imagine that we would have requirements in our contracts which stipulate that staff need to be paid in accordance with the Fair Work Act and any other legislation that's applicable.

CHAIR: Could you provide us, on notice, with some sample terms of those contracts, setting out how workers should be paid, in terms of their rates of pay?

Mr Nelson: I would have to take it on notice as to whether that can be provided.

CHAIR: You would be aware of the very limited circumstances in which a public interest immunity claim can be made, and commercial in confidence is not one of them. The department must have a policy on how those contracts are set. Is there a policy that says that staff should be paid equivalent rates?

Mr Nelson: To put my hand on my heart and say yes—I'm not in a position to do that. I would have no doubt that there would be guidance that we are complying with that ensures that those contracts have specific requirements in them as per the relevant legislation.

CHAIR: Could you provide me with the policy that sets that out and then some sample terms that deliver that in the contracts? These are very significant contracts in terms of their scale, aren't they?

Mr Nelson: I would have to take advice as to whether that information could be provided to you. I don't want to be misleading in terms of what I've committed to. I'd have to take advice on that and come back to you.

**Answer:**

Services Australia's contracts with labour hire providers are established through a competitive procurement process, adhering to the requirements of the Commonwealth Procurement Rules and the Australian Government's Procurement Framework. Those contracts oblige the providers to meet specific statutory and other obligations with respect to their staff regarding salary and superannuation.

All contracts include standard Commonwealth conditions relating to compliance with laws and contain the following clause:

"In carrying out this Contract, the Contractor must comply with:

- All workplace laws that apply to the Contractor
- All other laws applicable in connection with the conduct and operation of the Contractor's business.

Workplace Laws means all laws relating to occupational health and safety, discrimination, workers' compensation, superannuation or workplace or industrial relations (and includes awards and industrial agreements)."

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ANSWER TO QUESTION ON NOTICE

Social Services Portfolio  
Services Australia

**Topic:** Labour hire contract periods

**Question reference number:** IQ21-000081

**Member:** Tim Ayres

**Type of question:** Spoken. Hansard Page/s: 45

**Date set by the committee for the return of answer:** 10 August 2021

## **Question:**

CHAIR: You've said that these labour hire contract arrangements deal with short-term peaks of work. Can you tell me, perhaps on notice, how many of those arrangements are less than six months, between six months and a year and in excess of a year?

Mr Nelson: I'll take that on notice and provide that to you.

CHAIR: Also, could you tell me how frequently individual non-APS labour hire contracts are extended—that is, people who are rolled over from contract to contract? What proportion of the labour hire staff are in their second, third or fourth labour hire contract with the department?

Mr Nelson: I'll take that on notice.

## **Answer:**

Services Australia enters into contracts with labour hire providers through competitive procurement processes, and in accordance with the Commonwealth Procurement Rules. The duration of these contractual arrangements is published on AusTender at [www.tenders.gov.au](http://www.tenders.gov.au). The engagement of individual staff and the duration of those engagements is a matter for the labour hire providers.

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ANSWER TO QUESTION ON NOTICE

Social Services Portfolio  
Services Australia

**Topic:** Labour hire transitioned to APS

**Question reference number:** IQ21-000082

**Member:** Tim Ayres

**Type of question:** Spoken. Hansard Page/s: 45

**Date set by the committee for the return of answer:** 03 August 2021

## **Question:**

CHAIR: Can you tell me how many labour hire workers have transitioned from engagement with a labour hire agency to non-ongoing or ongoing APS employment over the three years that we've just been talking about?

Mr Nelson: I have the information for the last six to seven months. I don't have information further back than that.

CHAIR: Could you give that to me now and then, on notice, provide the other?

Mr Nelson: Yes. I can confirm that between the end of December 2020 and 30 June 2021 approximately 1,647 labour hire and contractors transitioned to APS employment.

## **Answer:**

During the period 1 July 2018 to 30 June 2021, 2,524 non-APS (labour hire and contractor) personnel transitioned from engagement with a labour hire agency to APS employment.