



Select Committee on Job Security Inquiry Hearing 27 August 2021

Answers to questions on taken on notice

Hudson contract: \$4,950 (flat fee) if appointment is made in the first six months and nil thereafter.

Manpower contract: Approximately \$6,500 - \$3,500 (reducing fee) applicable in the first 6 months for Manpower sourced labour hires only.

Nil fees payable for labour hires who were 'transitioned' from the previous contract with Hudson.

\$3,664,000 is the maximum provision for expenditure under the Manpower contract. This amount is based on provision of 37 labour hires. Connect currently employs 22 labour hires which will reduce to 16 in total following appointment to the eight permanent full-time positions allocated to Connect in early August 2021.

The information previously provided (SQ21-000383), was collated for internal use as an estimated cost comparison of labour hires to permanent employees. The figures were estimated based on historical rates and anecdotal evidence gleaned from the market to assist internal decisions about value for money. The key difference with labour hire costs is usually the 'margin' percentage which is charged on top of salary and fixed on-costs which, in the SQ21-000383 table is incorporated into the 25% (lower) and 40% (higher) fee estimates shown.

The margin component negotiated for the Manpower contract is lower than the estimated 25% fee structure in SQ21-000383.

The specific detail of the fee structure contained in the Manpower contract is commercial in confidence.