

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

2016 - 2017

Division/Agency: Australian Taxation Office
Question No: AET 195
Topic: Labour Hire and Outsourcing
Reference: Written
Senator: Ketter

Question:

1. What does the ATO define as Labour Hire?
2. ATO have provided previous answers to QoN outlining contracts for provision of outsourced contact centre services with Stellar, Serco and DataCom and the value of those contracts. What is the equivalent ATO classification of the work undertaken under those contracts? If the ATO undertake that work itself, how many full time equivalent employees would it require?
3. What organisations or businesses does the ATO have contracts with for the provision of staff? What is the value of each contract? How many staff undertook ATO work as part of that contract?
4. Will a new contract for “Outsourced Contact Centre Services” be awarded, will the work cease, or will the work be completed by ATO staff? The ATO Parramatta office has an entire floor occupied by Datacom workers undertaking ATO work. What are the implications for the lease arrangement in the ATO Parramatta site with this Datacom contract expiring?

Answer:

1. A Contractor or Labour Hire Worker is generally engaged on a time and materials basis and is paid an hourly rate for the services they provide.
2. The work undertaken under the outsourced contact centre services contracts is equivalent to the APS1, 2 and 3 levels across telephony, processing, debt, social media and webchat workloads. Based on the planned purchase of 7,373,821,783 work seconds in 2016-17, the ATO would need to engage approximately 2,500 FTE and the introduction of the necessary infrastructure (buildings) to support the additional employees. The cost to insource the necessary labour for this workforce would be approximately \$180m compared to the supplier spend of \$118m.

3.

SON / Vendor	No. of Contract notices published on Austender	Sum of Value (\$ AUD)
Adecco Australia Pty Ltd	78	10,608,848
Chandler Macleod Group Ltd	21	2,616,799
DFP Recruitment Services Pty Ltd	33	11,883,974
Dixon Appointments Pty Ltd	36	3,216,447
Future People Pty Ltd	35	26,689,031

Hays Personnel Services	84	11,674,623
Hoban Recruitment Pty Ltd	26	16,656,959
Kelly Services Australia Pty Ltd	43	3,598,960
Mcarthur Management	19	1,676,916
Robert Walters Pty Ltd	20	8,095,039
Small Recruiting	3	290,990
Toll Personnel Pty Ltd	5	537,247
Candle Australia Pty Ltd	57	17,612,542
Clicks Recruit (Australia) Pty Ltd	111	34,577,898
Daniels & Co Pty Ltd	4	415,987
Paxus Australia Pty Ltd	172	56,598,665
Peoplebank Australia Pty Ltd	83	28,209,032
Revolution It	1	170,621
Southern Cross Computing Pty Ltd	7	2,487,183
Talent International	146	43,485,842
All Aspects Recruitment and Hr Service	2	118,841
First Grade Group Pty Ltd	31	5,582,718
First People Recruitment Solutions	10	2,697,675
Karlka Recruiting Group Pty Ltd	28	3,019,754
Lisant People Solutions Pty Ltd	12	2,498,973
New Start Australia Pty Ltd	9	1,204,880
Ochre Workforce Solutions	6	821,299
Onpoint 365 Pty Ltd	5	269,991
Train 365 trading as 365 Labour	1	69,486
All Aspects Recruitment and HR Service	1	296,549
Train 365 trading as 365 Labour	4	825,829
Grand Total	1093	298,509,598

The preparation of a list of how many staff undertook ATO work as part of those contracts would cause unreasonable diversion of ATO resources due to the volume of work involved.

4. The ATO is undertaking a request for quote process under 'ATO Outsource Labour for Service Delivery Panel, RFT ATO 15.27' for outsourced contact centre services. The future of this area is being considered.