

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

2017 - 2018

Division/Agency: Financial and Procurement Division

Question No: 198

Topic: Labour Hire Companies

Reference: Written

Senator: Ketter, Chris

Question:

1. Does the Department use any labour hire companies to source Departmental staff?
2. Does the Department use Labour Hire Agreements?
3. How long has the Department used labour hire companies?
4. How many staff are employed under via these arrangements?
5. How many staff are employed by the Department as contractors?
6. Who authorised the use of labour hire companies?
7. Is the Minister aware of the reliance on these labour hire arrangements?
8. Do staff under these labour hire arrangements receive as much training and security clearance as permanent staff?
9. Do staff under these arrangements receive the same pay and conditions as permanent staff?
10. Do these temporary staff have access to the same systems and databases?
11. Is this a concern from a security perspective?
12. Does this impact productivity of the Department if staff employed via labour hire arrangements are unable to access the required resources to do their job?
13. Do any of these labour hire companies use Plutus? If yes, has the Department undertaken its own investigation into the use of Plutus by labour hire companies?
14. When did the Department become aware that there was a problem with Plutus in connection with the Department?
15. When was the Minister advised?
16. What steps have been taken to avoid a repeat and are there other payroll companies operating as agents of IT and other contractors?
17. How much Commonwealth money is being directed through payroll companies?

Answer:

1. Yes.
2. Yes.
3. The Treasury has a long history of using labour hire companies.
4. As at 30 June 2017, 44 staff are employed from labour hire companies.
5. As at 30 June 2017, 44 staff are employed as contractors.
6. Treasury officials with a financial delegation under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
7. No.
8. Yes.

9. No.
10. Yes, if cleared to the appropriate security level.
11. No, staff must have the relevant security clearance to access Treasury systems and databases.
12. Not applicable given responses above.
13. Yes. The Treasury contacted all labour hire companies that it uses. A number of companies advised that they have engaged contractors who use Plutus Payroll, however each of these companies advised that none of the contractors were engaged for services provided to the Treasury.
14. Treasury became aware of the general issue with Plutus in the context of the public commentary that emerged in May 2017. We confirmed by 25 May that no contractors engaged by Treasury used Plutus payroll.
15. The Treasurer's office was advised of the above on 29 May 2017.
16. The Treasury does not have a direct relationship with payroll companies. No steps have been taken as the Treasury engages all of its contractors direct through labour hire companies and not third party payroll companies.
17. The Department has no visibility on contractor payments being directed through third party payroll companies by labour hire companies. The department's contractual arrangements are directly with labour hire companies.