

**Senate Select Committee on Job Security**

PUBLIC HEARING 27 AUGUST 2021

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ANSWER TO QUESTION ON NOTICE

Social Services Portfolio  
Services Australia

**Topic:** Labour hire staff turnover

**Question reference number:** IQ21-000102

**Member:** Tony Sheldon

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

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

**Question:**

CHAIR: What are the turnover numbers for labour hire?

Mr Nelson: I'm not sure that I have those. I'd have to take that on notice.

CHAIR: Please take it on notice, and provide the most recent figures you have going back two years.

Mr Nelson: Yes, we could provide that to you.

**Answer:**

The engagement of individual labour hire staff and the duration of those engagements is a matter for the labour hire providers. It would be an unreasonable diversion of resources to ascertain this information.

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**Question:**

Senator Sheldon: The Australian Maritime Safety Authority said that even a low rate of 25 per cent margin for labour hire companies represents an increased cost of \$20,000 per employee per year; that's for level 1.1 employees. At more senior levels, it blows out to almost \$28,000 per employee per year. Is that in line with what Services Australia pays as a premium to labour hire companies?

Michael Nelson: I did see that information only briefly this morning and, to be completely honest, I haven't had a good look at it. I do not have that information at hand in relation to Services Australia, but I could look to see what we could provide.

**Answer:**

Labour hire provides Services Australia (the Agency) with the flexibility needed to deliver the broad range of, often time critical and surge based, services for which it is responsible. The rates paid to individual labour hire firms are commercial-in-confidence. The Agency's contracts with labour hire providers are established through a competitive procurement process. This approach delivers value for money outcomes while adhering to the requirements of the Commonwealth Procurement Rules and the Australian Government's Procurement Framework. The details of these contractual arrangements are published on AusTender ([www.tenders.gov.au](http://www.tenders.gov.au)).