

Finance and Public Administration References Committee

Inquiry into the current capability of the Australian Public Service

Public Hearing – 21 July 2021

ANSWER TO QUESTION ON NOTICE

National Disability Insurance Agency

Topic: ASL Cap

Question reference number: IQ21-000029

Senator: Tim Ayres

Type of Question: Spoken. Hansard Page: 18

Date set by the Committee for the return of answer: 06 August 2021

Question:

CHAIR: I think the Productivity Commission recommended that there not be a cap in terms of the agency's work and that agency management be put in a position to best determine the staff mix within the constraints of, effectively, a capped operating budget. Has the agency ever requested a wholesale exemption from the cap?

Dr Studdert: I would have to take that on notice, in terms of whether that has ever been requested. It has not in recent times, during my time with the agency or, I think, Hamish's. We can certainly check the historical records over the previous eight years

Answer:

Since the NDIA's launch 1 July 2013, there has been no request for an exemption from the ASL cap.

Senate Finance and Public Administration References Committee

Public Hearing – 21 July 2021
ANSWER TO QUESTION ON NOTICE

National Disability Insurance Agency

Topic: Labour Hire

Question reference number: IQ21-000030

Senator: Tim Ayres

Type of Question: Spoken. Hansard Pages: 18-19

Date set by the Committee for the return of answer: 06 August 2021

Question:

CHAIR: I heard you say that many of the labour hire staff have been with you for a long time. What figures are you able to provide to the committee on the average time that labour hire employees spend with the agency? Is a long time five or six years? What information could you provide to the committee about the amount of time that labour hire workers spend working for the agency and the turnover issues associated with labour hire?

Dr Studdert: That is a very fair question, since I made that comment. I will ask Mr Aikman if he has those data handy. Otherwise, I'd be happy to get that. I'm perhaps operating more from my own experience with the staff members I have in my teams, but let's see if we have some agency-wide data for you on average tenure. Otherwise, we'd be happy to take that on notice and get it to you.

Mr Aikman: Senator, we do have that information. We will be able to provide that to you in response to your question about long term. We're not talking about five or six years. We will be able to provide data that will show the tenure—most likely over the last two years. That's not unusual given the types of project work and other work that we do across the agency. So I will be able to provide that more specifically to you... Specifically to the point about labour hire tenure, I will be able to provide some information if I can take that on notice, please...

CHAIR: If I can make the question about contract lengths a little bit more complicated for you as well: can you outline how many people have worked for the agency for less than six months, for between six months and a year, and for more than a year—and, perhaps just for novelty's sake, what the longest serving labour hire arrangement would be?"

Answer:

Over the past 2 years, the average period of employment for a labour hire contractor was 1 year and 3 months.

Number of labour hire contractors by period of employment as at 30 June 2021

Less than 6 months	6 – 12 months	12 months or more
450	138	887

The longest period of employment for a labour hire contractor was 5 years and 9 months.

Finance and Public Administration References Committee

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ANSWER TO QUESTION ON NOTICE

National Disability Insurance Agency

Topic: Labour Hire

Question reference number: IQ21-000031

Senator: Tim Ayres

Type of Question: Spoken. Hansard Pages: 20-21

Date set by the Committee for the return of answer: 06 August 2021

Question:

CHAIR: I just want to try and get to the bottom of this. When you say it is the rate that you pay, you're really saying you pay the labour hire agency a rate and that that rate includes an amount for the remuneration of the employee?

Mr Aikman: Yes.

CHAIR: And, presumably, an amount that is the labour hire agency clipping the ticket on the way through, in terms of its administration fees and the profit it makes from the arrangement. It may be that the labour hire agency engages somebody as a permanent employee and that they accrue an annual leave entitlement with the agency, or that the agency employs people as casuals. Can you tell me how many of the labour hire employees are permanent employees of the labour hire agency and how many are casuals?

Mr Aikman: I would need to take that on notice. I don't have that information to hand. To your first reflection: yes, the amount we pay to the labour hire agency is reflective of that rate of pay. Yes, there's a fee that we pay to the labour hire agency as well. That is then the total amount that we pay to the labour hire agency for the person working with the agency.

Answer:

The NDIA does not have structured data to respond to this question. The NDIA is not a party to the contracts between supplying labour hire agencies and individual labour hire workers.

Finance and Public Administration References Committee

Public Hearing – 21 July 2021
ANSWER TO QUESTION ON NOTICE

National Disability Insurance Agency

Topic: Labour Hire - Agencies

Question reference number: IQ21-000032

Senator: Tim Ayres

Type of Question: Spoken. Hansard Page: 21

Date set by the Committee for the return of answer: 06 August 2021

Question:

CHAIR: ... How many labour hire companies do you engage with?

Mr Aikman: In the main, there are approximately 15 that we work with. That covers the vast majority of the roles we would be seeking to fill. There are other smaller agencies we may use for specific requirements, but the vast majority are fulfilled by 15 labour hire agencies.

CHAIR: So 15 agencies. You're saying there's another group. Is that an ICT group or a consultancy?

Mr Aikman: We have specific requirements. Many of the larger labour hire agencies cover the majority but not all types of roles, and, therefore, yes, we tend to use smaller, more specialised labour hire agencies for specific or hard-to-fill roles.

Dr Studdert: I can offer an example of that in my own group. I have legal services. We use a company that specialises in legal skills and specialists that we use for short- and long-term labour hire lawyers.

CHAIR: That's a very large number of firms. Would you be able to provide us with a list of those firms?

Mr Aikman: Yes, we will be able to.

Dr Studdert: Happy to.

CHAIR: And if you could provide that with the amount that's been remitted to each of those firms over the last three years, on notice...

CHAIR: I think, Mr Aikman, you said that the agency provides an amount that goes to remuneration and an amount that's an administration fee, or however it's described.

Mr Aikman: Yes.

CHAIR: When you provide on notice the list of agencies by year and the amount that's been remitted to them, would you be able to split that into the amounts that are for the purposes of remuneration under the contracts and the amount that is for the purposes of an administration fee, or however else that's described?

Mr Aikman: I will take that on notice and aim to provide that information for you.

Answer:

Please see table below.

Company Name	Total amount paid to Labour Hire Providers (inclusive of margin, administration fees and staff remuneration)(GST incl.) 1 July 2018 – 30 June 2021.
Chandler Macleod	\$37,086,829.96
DFP	\$81,220,377.93
face2face	\$29,302,950.44
Hays	\$153,622,382.70
Hoban	\$35,256,427.28
Ignite	\$16,178,318.25
IPA	\$4,559,960.25
Karlka Recruiting	\$4,637,577.88
People Bank	\$25,016,681.61
Pinpoint Talent	\$7,432,151.59
Randstad	\$52,484,116.36
Recruitment Hive	\$10,564,262.77
SOS	\$6,414,804.24
Talent Insights	\$7,969,657.25
Talent International	\$13,033,853.73
Grand Total	\$484,780,352.24

NDIA contracts with suppliers of labour hire are at a total invoice rate, inclusive of supplier margin and administrative costs. These margins and administrative costs vary across contracts.

The NDIA does not have structured data to respond to this further.