

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

2017 - 2018

Division/Agency: Australian Taxation Office
Question No: 135
Topic: Labour Hire Contractors and Consultants
Reference: Hansard page 23-24 (30 May 2017)
Senator: Ketter, Chris

Question:

Senator KETTER: I am going to move on to the issue of use of labour hire. There are some concerns that the ATO is increasing its usage of labour hire contractors and consultants. In fact, there were questions raised at additional estimates last year. There were questions put on notice. Senator McAllister and I asked questions on notice. In response to my questions, you said the cost of outsourced contact centre service contracts was expected to be \$118 million for 2016-17. So my question is: who are the providers for this \$180 million expenditure?

Ms Cawthra: We certainly have a range of labour options that we use inside the ATO to ensure that we have flexible and responsive client services. One of those is outsourcing and the opportunity to outsource some of our low-value work as in low-complexity work to those that are better suited to undertake that work. The use of outsourcing has, in fact, been ongoing over the last 10 to 15 years in terms of our changing nature of our work. In terms of the labour hire, it is a different way of managing labour and it is a small portion of our overall workforce, and we use it quite specifically to support projects of particular natures or, in fact, managing very short-term resourcing needs inside the organisation, and then we also use contractors who generally are in the IT industry who are coming in for very specific projects.

Senator KETTER: Okay, but my question was: who are the providers for the \$180 million?

Ms Cawthra: We have a range of providers in there. One of those is a company called Serco. There are a number of others that I could take on notice or I could ask my colleague Melinda Smith who may, in fact, know the other ones more specifically. Sorry, I have been handed them. Serco, Stellar, Datacom and then we have new suppliers available Concentrix, Salma and Pro.

Senator KETTER: They are all providers involved in that \$180 million figure?

Ms Cawthra: Yes, they generally provide services for call centres and for processing.

Senator KETTER: Is that \$180 million in addition to the \$298.5 million you list as providers for the direct provision of an unspecified number of staff?

Ms Cawthra: That would be in addition.

(1.)Senator KETTER: For what period does that expenditure of \$298 million cover?

Ms Cawthra: I would have to take that on notice, Senator.

(2.)Senator KETTER: Okay. Can you explain why there are 1,093 contract notices published in relation to the \$298 million of contracts and what these contract notices relate to?

Ms Cawthra: I would have to take that on notice, Senator

[...]

Senator KETTER: How many people do you estimate will be employed for the 2016-17 spend of \$298 million?

Ms Cawthra: I might hand that to my colleague Ms Smith.

Ms Smith: I will need to take on notice the exact number. Are you referring to just in the service delivery capacity or within the outsourced capacity?

Senator KETTER: I was referring to the labour hire contractors and consultants.

Answer:

1. The \$298 million represents the combined contract value (not expenditure) of labour hire contracts in place as at 27 March 2017. The length of these contracts varies between 2 to 4 years.
2. The contract notices relate to separate engagements to support the supply of labour in a range of areas including service delivery and IT. Preparation of a more detailed response would cause an unreasonable diversion of ATO resources.