

Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Finance and Administration Portfolio

Additional Budget Estimates Hearing – February 2007

Question: F46-F51

Outcome All, Output All

Topic: Recruitment Agencies

Written Question on Notice

Senator Wong asked:

- (1) What sum was spent on recruitment agencies in 2006 by each department and agency in the Minister's portfolio?
- (2) Will the Minister provide a list of the recruitment agencies which are used by the department and agencies in the Minister's portfolio?
- (3) What functions do recruitment agencies perform for departments and what would be the likely impact on departmental outcomes from reduction in recruitment spending on external agencies?
- (4) What benefit-cost assessments have been done which benchmark internal recruitment processes and/ or on utilising on line recruitment portals?

Answer:

Department of Finance and Administration (Finance)

- (1) For the period 1 July 2006 to 16 February 2007, Finance has spent \$534,032.82 (GST exclusive) on recruitment agencies.
- (2) Recruitment agencies used during the period 1 July 2006 to 16 February 2007 include:

Affinity IT Recruitment Pty Ltd;
Ambit IT&T Recruitment Specialists;
Careers Unlimited Pty Ltd;
Carmichael Fisher Pty Ltd;
Command Recruitment Group;
Effective People Pty Ltd;
Game 1 Consulting;
Gillian Beaumont Legal;
Hudson Global Resources (Aust) Pty Ltd;
Icon Recruitment Pty Ltd;
Jenngen Consulting Pty Ltd;
Kelly Services (Aust) Ltd;
Manpower Services (Aust) Pty Ltd;
Maxnetwork Pty Ltd;

Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Finance and Administration Portfolio

Additional Budget Estimates Hearing – February 2007

Paper Shuffle Pty Ltd;
Professional Careers Australia Pty Ltd;
Recruitment Management Company Pty Ltd;
Recruitment Solutions Limited;
Ross Human Directions Limited;
Searson Buck Holdings Pty Ltd;
Smalls Recruiting;
The Frontier Group (Aust) Pty Ltd;
Verossity Pty Ltd;
Westvic Workforce Inc; and
Wizard Personnel & Office Services Pty Ltd.

- (3) Functions provided by recruitment agencies are as follows:
- scribing services;
 - cadetship programme support;
 - graduate programme support; and
 - assistance with identifying appropriate candidates for permanent, temporary and contractor placements.

Potential impacts on Finance's outcomes from reducing recruitment spending with external agencies would include:

- recruitment processes would take longer to complete and require more Finance staff to be involved in recruitment activities such as scribing;
- temporary and contractor vacancies within Finance would be harder to fill, with Finance potentially required to spend more money on advertising these types of positions;
- finding employees for specialised areas such as Information Technology (IT), legal and accounting would become more difficult; and
- potentially limiting the pool of applicants for vacancies, including executive vacancies.

(4) Finance has set a six week target for recruitment initiatives and benchmarks recruitment processes by reporting recruitment timeframes on the Finance intranet identifying the time taken to make a decision on any recruitment process. Finance also annually reviews its recruitment policies, procedures and guidelines to ensure internal recruitment processes remain robust and efficient. Advertisements placed in all types of media and on the internet are also evaluated yearly to ensure continued value for money and the costs and benefits of each advertising medium are assessed.

Finance rolled out a new e-recruitment system (NGA.net) in January 2007. As a result of the roll out, all Finance vacancies are advertised on line and applications can be submitted via the system. Once the system has completed a full cycle in January 2008, a cost-benefit assessment will be conducted to evaluate the return on the use of an e-recruitment system.

Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Finance and Administration Portfolio

Additional Budget Estimates Hearing – February 2007

Australian Electoral Commission (AEC)

(1) For the period 1 July 2006 to 16 February 2007, the AEC has spent \$66,680.18 (GST exclusive) on recruitment agencies.

(2) Recruitment agencies used during the period 1 July 2006 to 16 February 2007 include:

Adecco Australia Pty Ltd;
Allstaff Australia Pty Ltd;
Capital Communications Pty Ltd;
Capital Recruitment Services Pty Ltd;
Effective People Pty Ltd;
Hudson Global Resources (Aust) Pty Ltd;
R&M Consultants (NT) Pty Ltd;
Recruitment Management Company Pty Ltd;
Select / Write (trading name);
Staffing and Office Solutions Pty Ltd;
The Frontier Group (Aust) Pty Ltd;
The Green and Green Group Pty Ltd;
The Public Affairs Recruitment Company Pty Ltd; and
Wizard Personnel & Office Services Pty Ltd.

(3) Functions provided by recruitment agencies are as follows:

- scribing services; and
- assistance with identifying appropriate candidates for permanent, temporary and contractor placements.

A reduction in recruitment spending with external agencies is likely to compromise the AEC's ability to fulfil its core functions, by diverting limited staffing resources from substantive duties.

(4) No cost-benefit assessments have been undertaken.

Australian Reward Investment Alliance (ARIA)

(1) For the period 1 July 2006 to 16 February 2007, ARIA has spent \$22,507.00 (GST exclusive) on recruitment agencies.

(2) Recruitment agencies used during the period 1 July 2006 to 16 February 2007 include:

Adcorp Green;
Cantlie Recruitment Services;
Tanner Menzies Pty Ltd; and
The Frontier Group (Aust) Pty Ltd.

Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Finance and Administration Portfolio

Additional Budget Estimates Hearing – February 2007

- (3) Functions provided by recruitment agencies are as follows:
- supply of temporary staff members; and
 - recruitment of permanent staff members, including advertising positions, identification of list of candidates for interview.

ARIA does not have resources devoted entirely to human resource-recruitment issues. A reduction in spending on external recruitment agencies would divert valuable staff resources from substantive duties.

- (4) It is not considered that ARIA's expenditure on recruitment agencies would warrant a cost benefit analysis.

Commonwealth Grants Commission (CGC)

- (1) For the period 1 July 2006 to 16 February 2007, the CGC has spent \$3,535.00 (GST exclusive) on recruitment agencies.

- (2) Ross Human Directions Limited was used during the period 1 July 2006 to 16 February 2007.

- (3) Functions provided by recruitment agencies are as follows:
- advertising;
 - receipt and vetting of applications; and
 - finalisation of selection procedures (as part of outsourced general Human Resource (HR) activities).

The CGC does not have resources devoted entirely to human resource-recruitment issues. A reduction in spending on external recruitment agencies would divert valuable staff resources from substantive duties.

- (4) No cost-benefit assessments have been undertaken.

ComSuper

- (1) For the period 1 July 2006 to 16 February 2007, ComSuper has spent \$139,168.93 (GST exclusive) on recruitment agencies.

- (2) Recruitment agencies used during the period 1 July 2006 to 16 February 2007 include:

Candle Australia Limited;
Cooney Consultants and Associates;
Cordelta Pty Ltd;
Greythorn Pty Ltd;
Kowalski Recruitment Pty Ltd;
Manpower Services (Aust) Ltd;

Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Finance and Administration Portfolio

Additional Budget Estimates Hearing – February 2007

PCA Personnel Consultants;
Quadrante Solutions;
RMC Professional Recruitment Services;
Ross Calibre;
The Frontier Group (Aust) Pty Ltd; and
The Green and Green Group Pty Ltd.

- (3) Functions provided by recruitment agencies are as follows:
- advertising to a wider pool of potential employees than might otherwise be reached via the Commonwealth Gazette;
 - identifying potential employees with specialist skills;
 - running recruitment processes externally rather than utilising in house recruitment; and
 - vetting potential employees.

If recruitment agencies were not used, ComSuper may not be able to meet staffing requirements, and consequently work outcomes and targets could be compromised.

- (4) A recruitment review is currently being undertaken to assess a range of recruitment mechanisms.

Future Fund Management Agency (FFMA)

- (1) For the period 1 July 2006 to 16 February 2007, the FFMA has spent \$397,338.00 (GST exclusive) on recruitment agencies.

- (2) Recruitment agencies used during the period 1 July 2006 to 16 February 2007 include:

Effective People Pty Ltd;
Hays Personnel Services (Aust) Pty Ltd;
Hudson Global Resources (Aust) Pty Ltd;
LINK Recruitment;
Mahlab Recruitment;
Manpower Services (Aust) Ltd;
Market U; and
Spencer Stuart.

- (3) Functions provided by recruitment agencies are as follows:
- search functions; and
 - non-ongoing staff provision.

Due to the start up nature of the FFMA, a reduction in external recruitment services may impact negatively on the FFMA's ability to establish an ongoing internal capability to achieve the Future Fund's outcome.

- (4) No cost-benefit assessments have been undertaken.