

SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS  
ATTORNEY-GENERALS DEPARTMENT

**Question No. 2**

**Senator Wong asked the following question at the hearing on 13 February 2007:**

Recruitment Agency Spending

- a) What sum was spent on recruitment agencies in 2006 by each department and agency in the Minister's portfolio?
- b) Will the Minister provide a list of the recruitment agencies which are used by the department and agencies in the Minister's portfolio?
- c) 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?
- d) What benefit-cost assessments have been done which benchmark internal recruitment processes and/ or on utilising on line recruitment portals?

**The answer to the honourable senator's questions is as follows:**

Recruitment agencies were used by the Department and the following agencies in the 2005-06 financial year:

**Attorney-General's Department**

- a) The total cost of engaging employment agencies by the Department 1 July 2005 – 30 June 2006 was \$1,016,111.78 (including GST).
- b) The following agencies were used by the Department from 1 July 2005 – 30 June 2006
  - Allstaff
  - Ambit Group Pty Ltd
  - Cantlie Recruitment
  - Careers Unlimited Pty Ltd
  - Effective People Pty Ltd
  - face2face Recruitment Pty Ltd.
  - Frontier Group Australia Pty Ltd
  - Green & Green Group Pty Ltd
  - Hays Personnel Services (Aust) PL
  - Hudson Global Resources
  - Icon Recruitment Pty Ltd
  - Julia Ross Recruitment Pty Ltd
  - Kaz Group Pty Limited
  - Kowalski Recruitment Pty Ltd
  - Patriot Alliance Security Grade Recruitment
  - Professional Careers Aust P/L
  - Ross Human Directions
  - Select Australasia
  - Staffing and Office Solutions

- Wizard Personnel & Office

c) Recruitment agencies perform functions including shortlisting, scribe services, referral services, conduct of selection processes, consultancy and contractor services, management of bulk recruitment processes and executive search.

Reduction in recruitment spending on external agencies would result in increased spending and resources needed to undertake these functions internally. Whilst some of these functions can often be undertaken internally, sometimes the use of recruitment agencies on a needs basis is more effective.

The Department is undertaking initiatives to reduce both its reliance on recruitment agencies and overall spending on referral and contractor management fees by implementing a temporary employment register – refer (d) below. However, the reduction in use of recruitment agencies' services, at required times, could potentially decrease candidate numbers and/or reduce the overall calibre of candidate pools. This may lead to delays or failure to recruit suitable candidates, and an overall decrease in expertise within the Department, particularly for specialised job roles.

Recruitment companies are often better placed to conduct Executive Search exercises as they have ready access to a suitable pool of applicants. Management of bulk recruitment processes is often outsourced to recruitment providers to relieve line areas of the time expense required to undertake such processes, allowing them to continue their core business with minimal disruption. Recruitment agencies facilitate such processes with the final decision resting with the Department.

d) No benefit-cost assessments have been done which benchmark internal recruitment processes or on utilising on-line recruitment portals.

However the Attorney-General's Department has recently implemented initiatives to increase the effectiveness of recruitment within the Department.

In December 2006 an internal Temporary Employment Register was established to assist line areas, as far as possible, with non-ongoing recruitment requirements. This is to reduce the use of third party recruitment providers and eliminate referral and contractor management fees, where possible. Line areas are encouraged to contact the Department's Recruitment Unit to access the employment register before approaching external recruitment agencies. Anecdotal evidence and feedback from work areas indicate that the initiative has been well received and utilised within the Department to date.

The Department manages advertising and incoming applications via an existing on-line recruitment portal, [www.nga.net.au](http://www.nga.net.au). The Recruitment Unit oversees the operations of this portal, coordinating the recruitment interface between line areas and applicants. The Department is looking to further enhance its on-line recruitment capability by implementing the Aurion (the Department's human resources system) recruitment portal and processing module, thereby integrating all recruitment activities into the one on-line system.

## **Administrative Appeals Tribunal**

a) The Administrative Appeals Tribunal (AAT) spent the following sums on recruitment services in the 2005-06 financial year:

Temporary Staff	\$33,596.42
Scribing Services	<u>\$ 2,649.50</u>
<b>Total Services</b>	<b>\$36,245.92</b>

All figures are excluding GST.

b) The AAT engaged the following firms for the services at answer a):

Verossity (Scribing Services, Temporary Staff)  
Josal Enterprises Pty Ltd (Scribing Services)  
Moser Legal Support (Temporary Staff)  
Select Australasia (Temporary Staff)  
Hays Personnel Services (Temporary Staff)  
Law Staff Australia (Temporary Staff)

c) The functions the recruitment agencies perform for the AAT and the impact of a reduction of spending on these services would be:

Provision of:

Temporary Staff for short-term positions	Significant impact
Scribes for in-house interviews	Moderate impact

d) The AAT has not undertaken any benefit-cost assessment for benchmarking its internal recruitment services. The AAT does not utilise any on-line recruitment portals.

### **Australian Crime Commission**

a) In 2005-06 the ACC spent \$58,262 (excluding GST) on recruitment agencies.

b) Hays Personnel Services, Link Recruitment, Premium Recruitment, Hudson Global Resources, Canberra Consulting, Professional Careers Australia (PCA), Hurlie Pty. Ltd, Jakeman Business Solutions, Ball Solutions, Diacher Pty. Ltd, Jobwire, Icon Recruitment, Verossity, Eurolink t/a Aristotle, Wizard Information Services, Tarakan Consulting, Matera.

c) Short-listing, interviewing, assessment centres, filling temporary vacancies, scribe services, contracted personnel. A reduction in spending for external recruitment agencies would impact the ACC resources as more staff would be required to manage the recruitment workload.

d) None.

### **Australian Customs Service**

a) Australian Customs spent \$2,647,916.08 on recruitment agencies in the 2005/2006 financial year, excluding GST.

b) The following provides a list of recruitment agencies used by Customs during 2005/2006 financial year. This list does not include agencies that conduct medical/fitness assessment, provide venues, advertising and security vetting services. Some were used nationally and some only by a particular region.

- Aust Institute of Forensic Psychology
- Austscript Australasia P/L
- Avant Personnel
- Capital Recruitment Services
- Clements Recruitment Pty Ltd
- Corporate Success Formulas
- D3 Human Resources
- DFP Recruitment Services
- E P Milliken Pty Ltd
- Effective People Pty Ltd
- Executive Lifestyle Management
- Hays Accountancy Personnel
- Hansen & Searson
- Hudson Global Resources (Aust) P/L
- Payroll Placements
- Payroll Specialists
- Psych Press Nominees P/L
- Recruitment Management Co.
- RMC Pty Ltd
- Select Write - Recruitment Support
- Staffing & Office Solutions P/L
- The One Umbrella
- The Public Affairs Recruitment Company
- Watermark Search International
- Work Solutions Aust P/L

c) The functions provided by recruitment agencies include job analysis, design and hosting of on-line application process, receipt of on-line applications, screening applications, short-listing, conducting assessment centres, interviewing candidates, reference checking, providing feedback to candidates, arranging for medical examinations, scribing services, psychometric assessment and reporting. Costs include travel and accommodation of agency staff. Customs conducts recruitment campaigns when vacancies exist.

The likely impacts of reducing recruitment spending on external agencies would include:

- Lengthier recruitment processes;
- Risk of losing prospective Customs employees due to time taken to make offers;
- Resource implications of developing and maintaining appropriate skills in house.
- Limited internal resources and skills would make it increasingly difficult to support programmes such as Graduate and Indigenous Cadet programmes etc; and
- Increased risk of selecting unsuitable staff.

d) Customs has conducted a number of reviews and projects to assess internal recruitment processes. During 2005/06, Customs undertook a Recruitment Strategy Project and a Customs trainee recruitment review in response to both the changing employment environment in Australia, and the need to update Customs recruitment processes to meet future needs. A number of outcomes were implemented to address issues raised during the reviews.

Customs participates in the InfoHRM HR benchmarking system which includes comparison of *time to fill* and the *time to start* with other government and non government agencies. These reports are analysed with the view to improving the recruitment processes.

The on-line portals used by Customs include the Customs website, Seek and various recruitment agency websites. On-line application processes are used for Customs trainee recruitment, graduate recruitment and various bulk recruitment exercises.

### **Australian Federal Police**

a) The AFP spent \$4,782,499 (excluding GST) in the 2005/06 financial year.

b) The following recruitment agencies were used by the AFP in 2005/06:

- Adecco
- Careers Unlimited
- Green & Green
- Hays
- Hudson
- HMA Blaze
- Julia Ross
- Kelly Services
- Patriot Alliance Security Grade Recruitment
- Verossity
- Wizard Personnel and Office Services
- Australian Public Service
- RecruitPlus
- The Public Affairs
- Staffing and Office Solutions
- Dixon Appointments

The Protective Service also utilised:

- Advanced Personnel Management
- Department of Employment & Workplace Relations
- Dysaran Consulting
- Public Service and Merit Protection
- Workplace Research Associates Pty Ltd

c) Recruitment agencies are engaged to undertake a range of activities in support of AFP's recruitment targets and processes. Agencies support some, but not all, of the AFP's recruitment actions. The use of an agency is generally applied to the following tasks:

- Advertising on behalf of the AFP;
- Identifying specific talent on behalf of the AFP;
- Undertaking applications reviews and developing applicant shortlists;
- Arranging and administering interview panels;
- Selecting appropriate talent;
- Interview scribing;
- Undertaking selection tests where appropriate; and
- Reporting on developments generally in recruitment and selection and advising on applicability to AFP processes.

Removal of, or reduction of, spending on recruitment agencies is forecast to have a number of clearly identifiable impacts on the AFP's recruitment and selection processes. These include –

- Not having the same access to identifiable and available talent, particularly in skill speciality areas, as is achieved through recruitment agencies;
- Not having the broader and consistent application of rigorous, industry standard methodologies which result in obtaining the best talent;
- Not being able to deliver the same "time-to-fill" measures in recruitment outcomes because of the need to rely on internal resources;
- The need for additional recruitment administration staff to support recruitment and selection processes, taking away from maximising operational staffing levels; and
- A less efficient recruitment process overall as a consequence of the above points, and a degrading of the current talent levels found in the AFP recruitment outcomes.

d) As part of the AFP's implementation of its on-line recruitment process, a cost-benefit analysis was undertaken in terms of dollar efficiencies expected, both in staff and supporting operational costs, and on opportunity costs in reaching broader applicant markets than through traditional newspaper advertising. A reduction of two staff, representing recurrent salary savings of \$140,000, plus other operational costs were identified and have been delivered.

### **Australian Institute of Police Management**

- a) \$62,430 on hiring of temporary staff.  
\$4,141 on recruitment advertising drafting.
- b) DFP Trinity People;  
Clements Recruitment Pty Ltd; and  
HMA Blaze Pty Limited.
- c) DFP Trinity People: provision of temporary staff;  
Clements Recruitment Pty Ltd: provision of temporary staff; and  
HMA Blaze Pty Limited: recruitment advertising drafting.
- d) None.

### **Australian Institute of Criminology (AIC)**

- a) \$48,819 GST exclusive
- b) 1. Professional Careers  
2. Actuarial Appointments International Pty Ltd
- c) Recruitment agencies find appropriately qualified employees for the AIC. There would be no reduction in spending as additional internal staff would be required to carry out the activity.
- d) The AIC's human resource services are outsourced.

### **Australian Government Solicitor**

- a) In 2005-06, AGS paid in the order of \$217,000 (excluding GST) to recruitment agencies.
- b) The following recruitment agencies were used by AGS in 2005-06:
  - Burgess Professional Legal Recruitment;
  - Law Staff Australia;
  - Link Recruitment Group;
  - Hudson Global Rources;
  - Gillian Beaumont Recruitment;
  - Hays Accountancy Personnel;
  - IPA Personnel;
  - Professional Careers Australia;
  - PeopleCorp;
  - Legal and Corporate Staff;
  - Coopers Recruitment;
  - The One Umbrella;
  - McArthur Management Services;
  - Staffing and Office Solutions;
  - Dita Legal;

- SEEK Limited.

c) AGS is a statutory authority and government business enterprise (GBE), operating on a fully commercial and competitive basis. AGS uses external recruitment agencies that provide specialist expertise in advertising, screening and interviewing candidates for executive and highly specialised roles, as well as agencies that offer online recruitment services.

A reduction on spending on external recruitment agencies would restrict the pool of potential employees from which AGS can draw.

d) As a GBE that is required to return a profit and pay dividends to the Commonwealth, AGS continually reviews the activities it undertakes to ensure that they are cost-effective and to the benefit of AGS's ongoing business success and operational efficiency.

### **Australian Security Intelligence Organisation**

- a) ASIO generally does not provide a break down of its financial data below that which already is provided in ASIO's Report to Parliament for reasons of national security.
- b) ASIO does not disclose the full list of companies with which it has commercial arrangements for reasons of national security.
- c) and (d) ASIO does not disclose functions recruitment agencies perform or details of benefit-cost assessments against internal recruitment processes for reasons of national security.

### **Australian Transaction Reports and Analysis Centre (AUSTRAC)**

- a) The amount spent on recruitment agencies was \$595,105 (excluding GST).
- b) Agencies used by AUSTRAC are listed below:

- Ambition Recruit Pty Limited
- Hays Specialist Recruitment (Australia) Pty Limited
- JKM Consulting (Aust) Pty Limited
- Jocellin Jansson Pty Limited
- Manpower Services Pty Limited
- Paxus Australia Pty Limited
- People Bank Australia Pty Limited
- Recruitment Management Company Pty Limited
- Recruitment One Pty Limited
- Select Write
- The One Umbrella Pty Limited

c) These recruitment agencies provide scribing services, recruitment of staff for non ongoing positions (when conventional measures have not been successful), specialist IT and other contractors and short term temporary staff.



A reduction in such services could adversely affect the delivery of timely and effective recruitment outcomes. Broader AUSTRAC objectives could therefore be adversely affected.

d) Formal benchmarking has not been conducted. However AUSTRAC regularly reviews recruitment performance. The agency during 2006 also introduced an enhanced recruitment website for prospective candidates.

### **CrimTrac**

a) The sum spent on recruitment agencies in 2005-06 by CrimTrac was \$406,955.60 (excluding GST).

b) The list of recruitment agencies which were used during 2005-06 by CrimTrac is as follows:

- Aurec Pty Limited Total
- GMT People Total
- Hays Accountancy Personnel Services (Australia) Pty Ltd Total
- Icon Recruitment Pty Ltd Total
- Peoplebank Recruitment Pty Ltd Total
- The One Umbrella Total
- Wizard Personnel & Office Services Total

c) Recruitment agencies are engaged to fill vacancies for short to medium term periods that arise due to natural attrition or a requirement for specific skills and/or qualifications. Recruitment agencies are also engaged to provide recruitment services, e.g. scribing, on an ad-hoc and limited basis.

Were CrimTrac to no longer engage recruitment agencies its market for labour services would be reduced.

d) None.

### **Commonwealth Director of Public Prosecutions**

a) Payments totalling \$763,859.35 (GST inclusive) were made to recruitment agencies during the 2005-2006 financial year.

b) The following recruitment agencies were used during 2005-2006:

- Ashmores Prof.Library Service
- Drake Australia Pty Ltd
- Forrester Manns
- Frontier Group
- Gateway Personnel Pty Ltd
- Gillian Beaumont Recruitment
- Harvey Recruitment Australia
- Hughes-Castell Pty Ltd
- Law Staff Australia
- Legal Personnel Pty Ltd

- Link Employment & Training
- McCarthur Management Services
- Pegasus Global Pty Ltd
- Recruitment Solutions Ltd
- Ross Human Direction
- Shearn HR Legal
- SOS Recruitment
- Spherion Group Ltd
- The Green & Green Group
- Weststaff (Australia)
- Zenith Management Services

c) Recruitment agencies are utilised to meet short term recruitment needs. This allows the Office to concentrate on the recruitment and retention of ongoing staff.

d) None.

### **Family Court of Australia**

a) Amount spent on recruitment for 2005-06 was \$102,898 (excluding GST).

b)

- Hamilton James & Bruce
- Hays Personnel
- Manpower Services
- Professional Careers Australia
- Quadrate Solutions
- The Green & Green Group
- The Select Group
- Recruitment Support Specialists
- SAC Report Writing Services
- Select Appointments
- Kelly Services
- Law Staff Australia
- Greythorn Pty Ltd
- Recruitment Management Company

c) The most utilised function performed by recruitment agencies for the Court is for scribing services and reference checks. On occasions, these agencies also perform personality testing and recruitment for positions that are recognised as in high demand or require skills identified as in short supply. These may include: SES; finance; and information, communications and technology positions.

The likely impact on outcomes from reduction in recruitment spending on external agencies may include difficulties in obtaining staff with the required capabilities to perform tasks to meet key deliverables. The use of scribing services allows managers to finalise recruitment processes in a shorter timeframe.

d) No benefit-cost assessments have been completed.

## **Federal Court of Australia**

a) Expenditure during 2005-06 was \$568,575.68 (GST inclusive) – this includes both recruitment and payment of contract temporaries as well as general recruitment activities (e.g. primarily ‘executive search/recruitment’ exercises).

b)

- Candle Australia
- Ethos Corporation
- Hudson Global
- Hughes-Castell
- Julia Ross
- Mantech
- Munro Select
- Searson Buck
- Zenith

c) As noted, expenditure falls into two broad categories:

- Recruiting, shortlisting and engaging temporary (contract) staff, typically for short-term assignments. These are not Court employees.
- Undertaking executive search/recruitment exercises. Typically this includes advertising the role, canvassing prospective applicants, short-listing and assisting with the selection process (e.g., report-writing, organising interviews, etc).

A reduction in recruitment spending on ‘temps’ would make it more difficult for the Court to respond quickly when short-term relief staff are required. The Court would have to undertake selections for these roles which could lead to considerable delays and a smaller field from which to choose. One likely impact would be a lower standard of service to our clients.

Reduced spending on executive search exercises could mean that the Court does not attract the best possible field of applicants for executive positions.

d) No cost-benefit analyses have been undertaken.

## **Federal Magistrates Court**

a) The Federal Magistrates Court spent no funds with recruitment companies for executive search or for assistance in recruiting permanent staff. The FMC spent \$698,777 (exclusive of GST) with temporary staff recruitment agencies in 2005-06 for the supply of labour.

b) The Federal Magistrates Court of Australia used the following recruitment agencies in 2005-06:

- Bridge Consulting
- Complete Staff Solutions

- Drake
- Robert Half Australia
- Workzone

c) The Federal Magistrates Court of Australia utilises the service of recruitment agencies to supply relief court service staff and temporary finance/administrative staff. The impact of a reduction in recruitment spending with external agencies would result in a need to increase permanent staffing levels.

d) All recruitment is currently conducted in-house. No consideration has been given to the use of on-line recruitment portals at this stage.

### **Human Rights and Equal Opportunity Commission**

a) \$106,112 (excluding GST)

b) Select, One Umbrella, Verossity

c) As a small agency, HREOC primarily uses the service to address short term labour resource needs including:

- back filling to support critical services when permanent staff are unavailable or;
- to provide short term resources for non ongoing project activities which cannot be supported from existing resources within the agency.

d) No formal cost benefit analysis or benchmarking activity has been performed to compare internal recruitment and online portals given the costs and agency size.

### **Insolvency and Trustee Service Australia**

a) In 2005-06, the Insolvency and Trustee Service Australia spent \$84,835.20 on recruitment agencies.

b) The following agencies have been used for recruitment purposes:

- Select Australasia
- Hays Personnel
- Hallis
- Adecco Australia
- Hudson Global Resources
- Communicat Business Solutions
- Cantlie Recruitment Services
- Melissa Mahoney Recruitment
- Searson Buck
- Workabout Personnel

c) Recruitment agencies and their market intelligence enable ITSA to conduct selection processes in an efficient manner. They perform a number of functions, including:

- Source candidates for temporary employment to assist with fluctuations in workload and while staff are on leave
- Conduct individual assessment of recruits, including telephone screening and behavioural interviews and keyboard assessments
- Referee checking and background verification
- Feedback to candidates and candidate surveys

The likely impact on ITSA's outcomes from reductions in recruitment spending could result in the inability to recruit suitably qualified and skilled employees and ITSA outcomes could be reduced as time spent by staff assessing candidates would be increased.

d) None.

### **National Native Title Tribunal**

(a) \$27,137 (excluding GST)

(b)

- Michael Page International
- Drake
- Hays Personnel Services
- Hudson
- Choice One

(c)

- Press advertising of vacancies
- Coordinating applications and job queries
- Sourcing candidates
- Assist in screening and shortlisting of applicants
- Reference checks

The Tribunal anticipates that any reduced spending on external agencies will detract from its ability to attract appropriate candidates for specialised and executive management level positions in the current employment and economic climate.

(d) None.

### **Office of Film and Literature Classification**

a) For the financial year 2005-06, the Office of Film and Literature Classification (OFLC) spent a total of \$249,122.72 (GST-exclusive) on fees to recruitment agencies. This expenditure includes salaries for some agency staff paid on an hourly rate for temporary placements.

b) The following recruitment agencies were used by the OFLC in 2005-06:

- Everest Consulting Group P/L
- Greythorn P/L

- Hays Personnel Services
  - Hudson Global Resources (Aust)
  - Parker Bridge (Aust) P/L
  - Robert Half Australia P/L
  - Select Australasia P/L
  - The One Umbrella
  - The Recruitment Management Company
- c) In 2005-06 recruitment agencies performed the following functions for the OFLC:
- Provision of a shortlist of candidates for consideration for non-ongoing engagements;
  - Provision of agency staff on an hourly rate for short-term and specialist temporary placements;
  - Provision of specified consultancy services in relation to the selection of Classification Board members in accordance with guidelines established by the Attorney-General; and
  - Provision of administrative support in relation to the selection of ongoing APS staff and Classification Board members.

It is not possible to anticipate the likely impact on OFLC outcomes from a reduction in recruitment spending on external agencies as recruitment functions will be entirely absorbed by the Attorney-General's Department once the OFLC ceases to exist as a separate agency on 1 July 2007.

- d) None.

### **Office of the Privacy Commissioner**

- a) \$7,725 (excluding GST)
- b) Select, Verossity
- c) As a small agency the OPC primarily uses the service to address short term labour resource needs including:
- back filling to support critical services when permanent staff are unavailable or;
  - to provide short term resources for non ongoing project activities which cannot be supported from existing resources within the agency.
- d) No formal cost benefit analysis or benchmarking activity has been performed to compare internal recruitment and online portals given the costs and agency size.