QON No. 16

LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM
JEREMY HANSON MLA (CHAIR), SUZANNE ORR MLA (DEPUTY CHAIR), MICHAEL PETTERSSON MLA

Inquiry into referred 2017–18 Annual and Financial Reports
ANSWER TO QUESTION ON NOTICE

Asked by MR COE MLA:

In relation to: Contractor Central – guidelines or protocols

1. Are ACT Government entities restricted to engaging contractors through Contractor Central for their workforce?
    a. If no, advise what circumstances can an ACT Government entity engage contractors outside of Contractor Central?
    b. If yes, advise what monitoring takes place to ensure compliance with this policy?

2. What limits are placed on the use or hiring of contractors or consultants through Contractor Central?

3. Are contracts over $25,000 engaged through Contractor Central required to be publicly reported through the (i) Contracts Register; (ii) Annual Report; or (iii) any alternative reporting mechanism?
    a. If not, why not?
    b. If so, what compliance is undertaken to ensure the contracts are being reported appropriately?

4. What guidelines or advice are issued to directorates on the use of contractors (a) generally; and (b) in cases where the contractor is being engaged for longer than six months?

5. Does Procurement ACT provide any guidelines or advice on when contractors should be engaged compared a public servant, for example term of employment or work being performed?
    a. If not, why not?
    b. If so, what guidelines or advice is given?

Minister for Government Services and Procurement: The answer to the Member's question is as follows:–

1) There is no compulsion to engage contractors through Contractor Central.
    a. A Directorate/Agency is able to source contractors following the relevant procurement processes.

2) There is a limit of 12 months per initial engagement. A Work Order can be extended beyond that period at the discretion of the Directorate/Agency. This is tracked via worker tenure reporting provided by Comensura.

3) The Work Orders placed by the Management Service Provider (Comensura) to recruitment suppliers, are considered as effectively being employment contracts made under an umbrella inter Government agreement with NSW, given the Territory retains the right to provide direction to an individual worker.

   Section 25 of the Government Procurement Act 2001, excludes inter Government agreements and employment contracts from being notifiable contracts.

   The total spend for Contractor Central is reported in the notifiable invoices process.

4) Idividual Directorates/Agencies make decisions on the length or engagement. One task of the recently established Government Taskforce on Insecure Work and Outsourcing is to develop a Whole-of-Government Policy and Guidance on engagement of contractors, as required.

5) No, Procurement ACT does not. Each Directorate/Agency is responsible for decisions on workforce management and the engagement of contractors. These considerations and decisions are made prior to a Directorate/Agency utilising the Contractor Central arrangement. Clause A2.2 Retaining Our People of current Enterprise Agreements provides guidance about the minimal use of temporary and casual employees. Contractors are only be engaged where there is no officer available with the expertise, skills or qualifications required for a role. Refer to https://www.cmtedd.act.gov.au/__data/assets/pdf_file/0003/646005/Administrative-Agreement.pdf

Approved for circulation to the Standing Committee on Economic Development and Tourism

Signature: Date:

By the Minister for Government Services and Procurement, Ms Stephen-Smith MLA