

6.6. TEMPORARY LABOUR HIRE LOCAL BUY REGISTER OF PRE-QUALIFIED SUPPLIERS LB273

REPORT AUTHOR Tara Killeen, Chief Financial Officer

MANAGER Rachel Brophy, Chief Executive Officer

DEPARTMENT Finance and Corporate Services

RECOMMENDATION

That Council:

- 1. Resolves to procure temporary labour hire services via the Local Buy Register of Pre-Qualified Suppliers (RoPS) LGA Arrangement, LB273, for Temporary Labour Hire Services for the term 01 August 2023 – 30 June 2024.**
- 2. Delegates authority under s 257 of the *Local Government Act 2009* to the Chief Executive Officer to negotiate, finalise and execute any and all matters in relation to this contractual arrangement.**

EXECUTIVE SUMMARY

Douglas Shire Council seeks to procure temporary labour hire services via the Local Buy LGA Arrangement, LB273, for Temporary Labour Hire services.

Temporary labour hire is the provision of outsourced skilled and/or unskilled workers hired by Council for short or long-term positions. Temporary staff are employed by a contracted labour hire organisation, not Council, to whom they provide temporary labour on a casual basis charged hourly.

BACKGROUND

The service is generally for the provision of experienced labour resources where Council considers permanent employment is not appropriate. The services to be provided under the arrangement are generally for the purpose of:

- Providing additional labour resources during periods of peak demands on Council services;
- Relieving or backfilling permanent staff during periods of leave, such as personal, annual or long service leave; or
- Providing labour resources and expertise for special projects.

Council will, through contractual arrangements, require temporary labour staff to comply with Council's work requirements, inclusive of the quality of Workplace Health and Safety and personal protective equipment standards.

Council commits to maintaining, as a first priority, a fully utilised permanent labour workforce. This workforce may be supplemented from time to time with external labour hire where particular skill sets are not available within Council's own workforce, during periods of Council staff leave or peak demands, or where it is in the public interest to do so.

The *Local Government Regulation 2012* s 224(3) stipulates the definition of a large sized contractual arrangement as “a contractual arrangement with a supplier that is expected to be worth, exclusive of GST, \$200,000 or more in a financial year, or over the proposed term of the contractual arrangement.”

For these instances, the *Local Government Regulation 2012* further stipulates that an open public tender should be conducted, however, there are additional circumstances allowed for whereby the “*Local Government may enter into a contract for goods and services without first inviting written quotes or tenders if the contract is entered in-to under an LGA arrangement*” (s 234 (1)).

Whilst the *Local Government Regulation 2012* allows Council to enter into a large-sized contractual arrangement via an LGA Arrangement at any time; it should be noted that Council’s Procurement Policy includes a clause whereby all contractual arrangements with a value greater than \$200,000 excl. GST, regardless of method procured, still require approval via Council Resolution to ensure high value contracting is conducted in an open and transparent manner, in line with Council’s Corporate Plan 2019-2024 initiatives.

COMMENTS

To ensure Council meets its operational requirements, there are instances where additional labour is required, often at short notice and for varied, non-ongoing, periods of time. For circumstances such as these, temporary labour hire services provided via an external agency or other recruitment firm(s) are vital to the success of Council’s day-to-day requirements.

Douglas is a small and regional shire, currently in the midst of a severe housing shortage which has impacted Council’s ability to recruit permanent staff over the last few years following the impact of the Covid-19 pandemic on the Shire. A result of this is the significant increase in the reliance on labour hire providers, and subsequent increased expenditure. Over the past few years, Council has predominantly relied on a single service provider only, which has limited the pool of temporary labourers Council can obtain at short notice for works.

Procuring temporary labour hire services under Local Buy’s LGA Arrangement enables Council to source labour from a wider pool of resources, and includes provision for sourcing indoor administrative labour, as well as outdoor labour more commonly associated with blue collar roles. The list of suppliers available in the panel is listed below:

Table 1 – List of suppliers available in the panel

Supplier Name	Indoor Labour Hire	Outdoor Labour Hire
Aus Mining Personnel Pty Ltd		✓
CBC Staff Selection	✓	
Dawsons Engineering		✓
Hays Specialist Recruitment & Consultancy	✓	✓
Intro Recruitment Solutions	✓	✓
NQ Staff Services Pty Ltd		✓
Peak Services	✓	
Preruitment Pty Ltd	✓	

The current Local Buy panel is due to expire on 30 June 2024, therefore the panel will be in use for the period 01 September 2023 – 30 June 2024.

This interim measure will allow Council to take the necessary steps to conduct a review of its current internal labour hire engagement process and review future options for procurement.

PROPOSAL

That Council:

1. Resolves to procure temporary labour hire services via the Local Buy Register of Pre-Qualified Suppliers (RoPS) LGA Arrangement, LB273, for Temporary Labour Hire Services for the term 01 August 2023 – 30 June 2024.
2. Delegates authority under s 257 of the *Local Government Act 2009* to the Chief Executive Officer to negotiate, finalise and execute any and all matters in relation to this contractual arrangement.

FINANCIAL/RESOURCE IMPLICATIONS

The total estimated expenditure throughout the year, based on the average of the past five (5) years, is \$850,000 excl. GST, however this may vary based on operational needs. It is likely that the spend with individual suppliers from the panel will exceed \$200,000 for the duration of the panel term.

Engagement of temporary labour hire services allows Council to meet its day-to-day requirements and operational goals. Ensuring that Council has the required number of staffing resources across each area enables works and or services to be provided in a timely and efficient manner.

RISK MANAGEMENT IMPLICATIONS

Council provides a range of essential services in the local community. Without the use of temporary labour hire services, Council may not be able to meet the needs of its ratepayers and wider community resulting in negative feedback, complaints, and potential breaches of legislation and regulatory requirements where minimum levels of service are required to be achieved.

Additionally, Council requires quick and timely access to temporary labour to cover periods of staff leave. Not having quick access to temporary staff may increase the workload of Councils permanent staff. Council takes the WHS responsibility to staff seriously and therefore, timely access to temporary staff to is critical for staff wellbeing and ongoing delivery of services.

Utilising a Local Buy Arrangement saves Council considerable time and cost in comparison to running a direct tender process.

Additionally, the risk of not approving use of the Local Buy LGA Arrangement, LB273, for Temporary Labour Hire services is that Council would be in breach of expenditure thresholds stipulated in the *Local Government Regulation 2012* and therefore subject to repercussions from an audit perspective.

SUSTAINABILITY IMPLICATIONS

Economic: Utilising a Local Buy Arrangement saves Council considerable time and cost in comparison to running a direct tender process.

Environmental: Nil

Social: Nil

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2019-2024 Initiatives:

Theme 2 - Fostering Sustainable Economic Growth

A robust economy is at the heart of a thriving community and enables investment in environmental protection. While our remoteness is a key attribute, it also presents challenges for attracting new business and investment. We must also meet the challenges of fierce competition in the tourism sector. Council will partner with industry to build, diversify and promote the Douglas economy. Council will design and deliver infrastructure, strategies and services that support the local economy and businesses.

Goal 1 - We will build appropriate infrastructure and deliver services that connect and support businesses.

Theme 5 - Robust Governance and Efficient Service Delivery

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan.

Goal 1 - We will conduct Council business in an open and transparent manner with strong oversight and open reporting.

Goal 3 - We will make sound financial decisions by ensuring robust strategic planning, financial management and reporting.

Operational Plan 2023-2024 Actions:

Legislative requirement.

COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

Information Provider Council provides the community with important information on services, events, policies, rules, strategies, and any other relevant data that helps the community to stay informed. In performing this role, Council seeks to be open and transparent.

Regulator Council has a number of statutory obligations detailed in numerous regulations and legislative Acts. Council also makes local laws to ensure that the Shire is well governed. In fulfilling its role as regulator, Council will utilise an outcomes based approach that balances the needs of the community with social and natural justice.

Service Provider Council provides many services to the community from roads and waste services to libraries and recreational facilities. Services evolve over time and it is the Council's mission to ensure that these services are appropriate, delivered efficiently, and designed with the customer at the centre.

CONSULTATION

Internal: Management Team, Procurement Team, Workshop with Councillors
22 August 2023.

External: Local Buy, Ochre Legal, various temporary labour hire suppliers.

COMMUNITY ENGAGEMENT

This proposal will fall within the 'inform' category of Council's Community Engagement Framework.

ATTACHMENTS

Nil