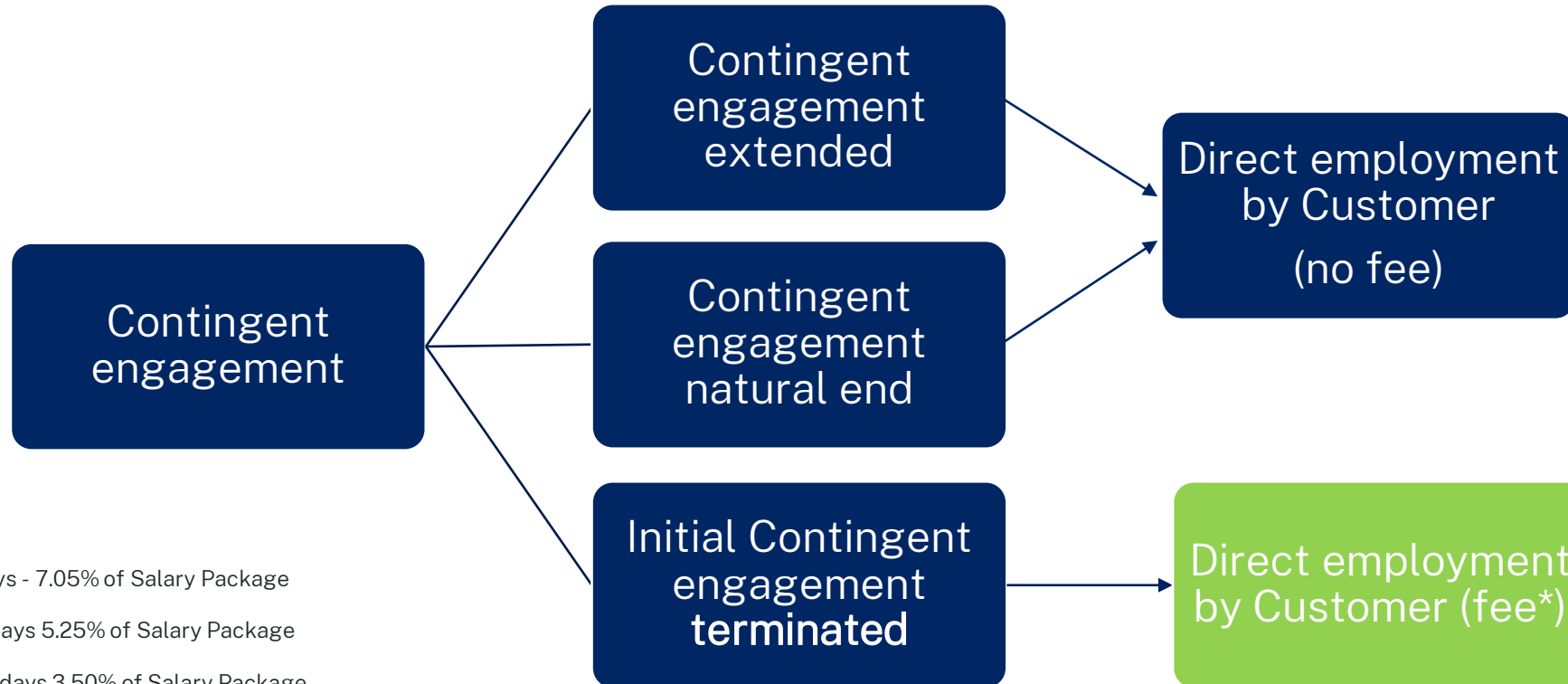


Conversion fee application

Fees – converting someone from ‘contingent worker’ to ‘employee’ irrespective of the recruitment method



(a) 0 – 90 calendar days - 7.05% of Salary Package

(b) 91 – 180 calendar days 5.25% of Salary Package

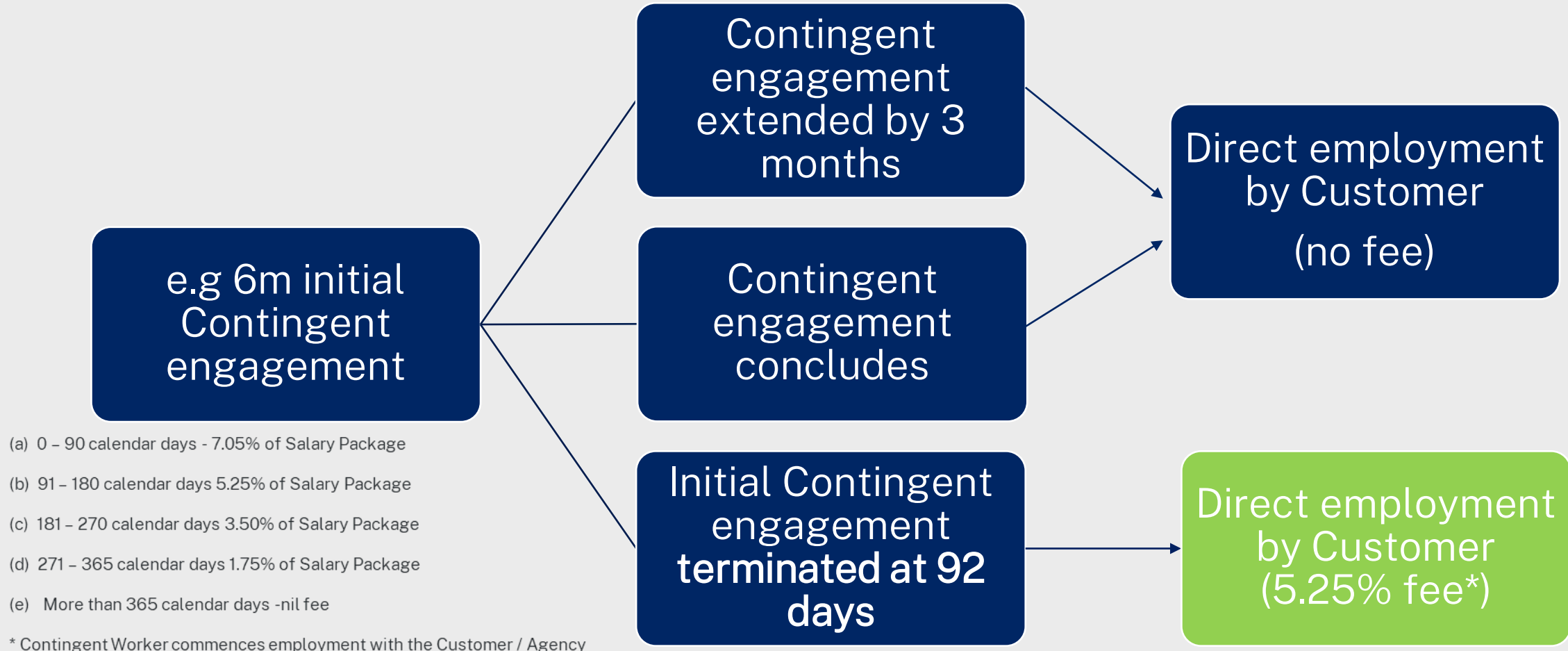
(c) 181 – 270 calendar days 3.50% of Salary Package

(d) 271 – 365 calendar days 1.75% of Salary Package

(e) More than 365 calendar days -nil fee

* Contingent Worker commences employment with the Customer / Agency

Example scenario



Conversion fee – Q&As



Question 1: *The clause refers to “commencing employment within the Customer”. Does “Customer” refer to Cluster level or Agency level?*

Answer: Agency level. The 0007 Scheme Conditions defines “Customer” at an Agency level.

Question 2: *The clause states: “If the initial contingent worker engagement...” what does “initial” mean?*

Answer: This means it does not apply to any extension periods. The fee criteria is focused on severing the initial engagement term where the supplier does not realise their forecasted revenue.

Question 3: *- If an initial contract ends and the employer chooses to employ the person directly on a temporary basis following a merit selection process would a fee be payable i.e. the contract wouldn't be ended early, it just wouldn't be extended? Is there a break in service period that needs to be clarified?*

Answer: In this scenario, no fee would be payable as the initial engagement was not terminated early for convenience. There is no break in service period.

Conversion fee – Q&As (continued)

Question 4: *If the merit selection process has already happened, before the change in the clause (5th April 2023), does the new clause still apply?*

Answer: Yes, the new fee criteria became effective 5th April so if a contingent worker's initial engagement is terminated for convenience on or after 5th April the new fee criteria will apply irrelevant of what date the interview was conducted. The focus is on when the initial engagement is terminated.

Question 5: *Does that mean any new engagement with a start date of 5th April and beyond that meets the criteria attracts a fee? Or is it for offers that take place from the 5th April?*

Answer: The determining factor is not when the new engagement starts or was offered, but whether the initial engagement has been terminated for convenience to convert the worker to a permanent role. The conversion fee is applicable for terminations for convenience of the initial engagement that take place on or after 5th April 2023.

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