

NSW Treasury

Contingent Workforce Supplier Forum

FY2022/23

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Human and Professional Services,
NSW Procurement

30 October 2023



Acknowledgement of Country

We acknowledge that Aboriginal and Torres Strait Islander peoples are the First Peoples and Traditional Custodians of Australia, and the oldest continuing culture in human history. We pay respect to Elders past and present and commit to respecting the lands we walk on, and the communities we walk with.

Artwork:
Regeneration by Josie Rose



Agenda



Agenda item	Time
Acknowledgement and Welcome	10:00am
NSW Government Contingent Workforce – Highlights and Strategic Priorities	10:05am
Contingent Workforce Scheme (SCM0007) Initiatives	10:15am
Spend Overview	10:25am
Operational Metrics and Aspects of SCM0007	10:40am
Question time	10:45am
Close	11:00am

NSW Government Contingent Workforce

– Highlights and Strategic Priorities

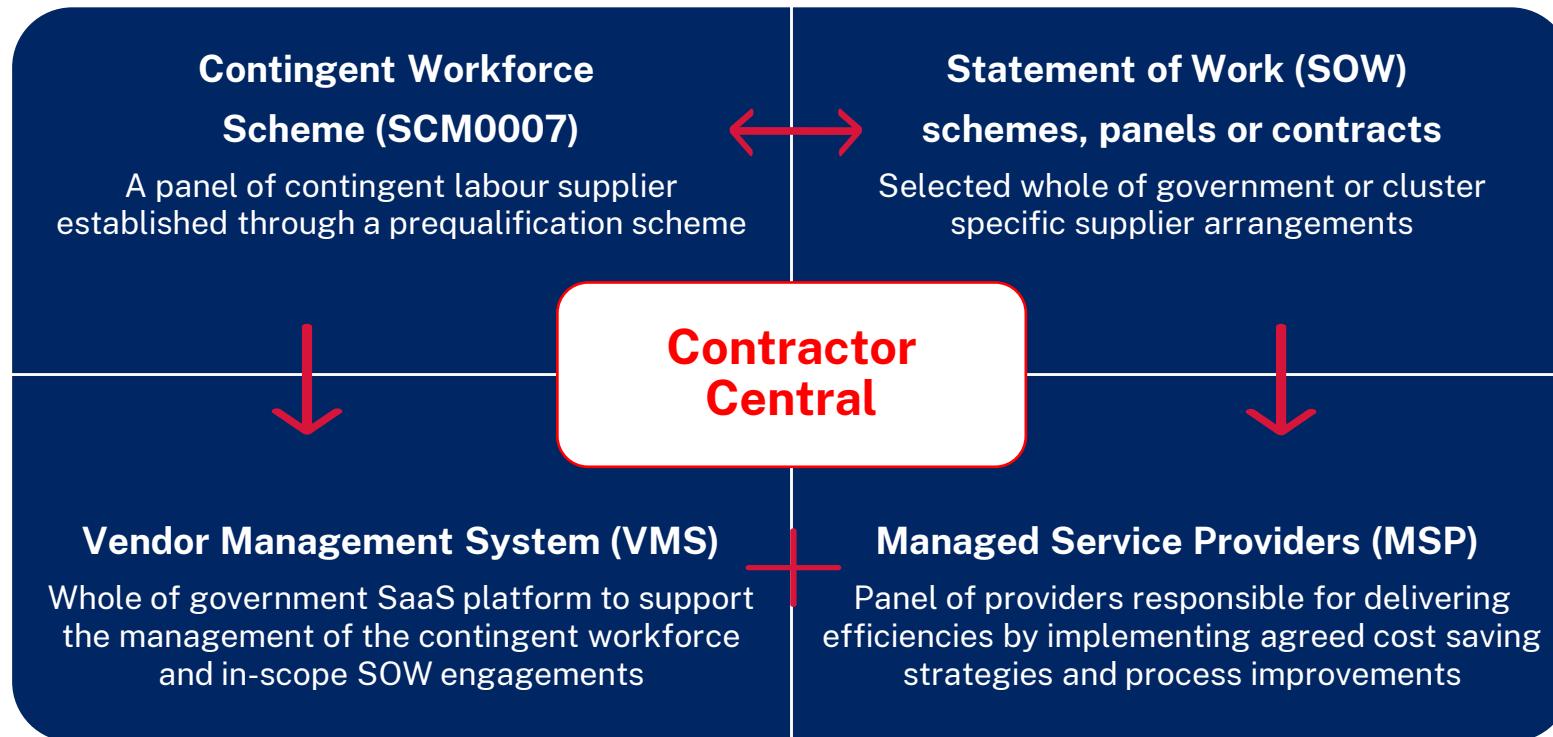
Contractor Central overview



Contractor Central is the NSW Government's centralised contractor management model for procure to pay processes. It outsources managed service providers and a vendor management system

Contingent labour:

- ✓ Sector rollout is complete



SOW engagements:

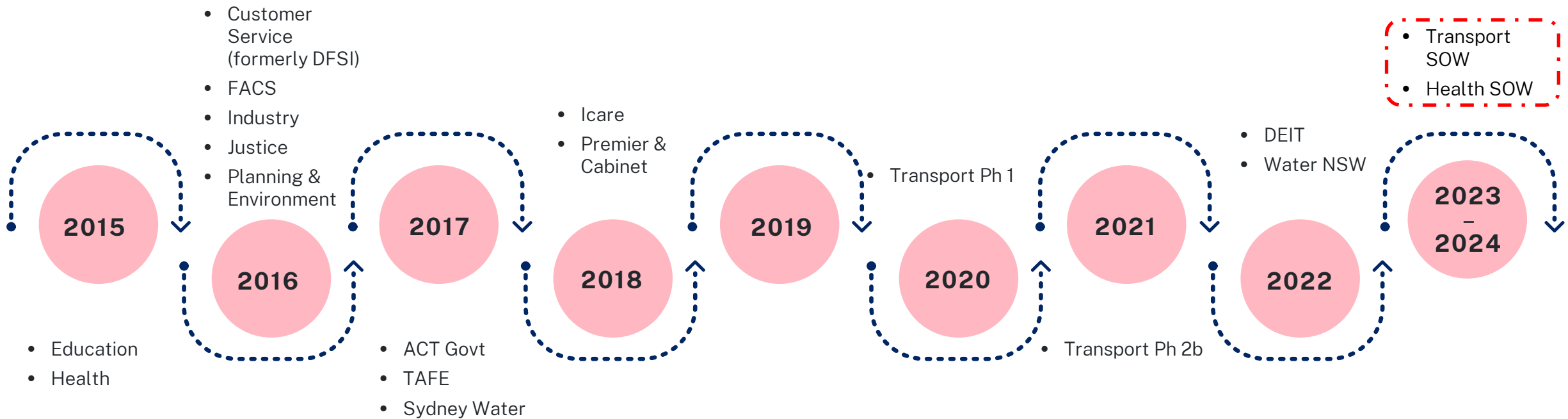
- ✓ Deployment within some government agencies is underway

Contractor Central rollout status



Contractor Central has been a priority for the NSW Government since 2015 and, for contingent workforce, has now been deployed across all government departments

- All NSW Government portfolios, plus the ACT Government, have introduced Contractor Central for the management of contingent workforce. We currently have 15 separate VMS instances.
- SOW expansions have commenced with Transport and Health currently in deployment phase.



Highlights for the 2022/23 financial year

There was a record level of activity in SCM0007 and several changes in SCM0007 and the wider environment



Spend and volume

- Spend increased in FY22/23 to ~\$2 billion vs. FY21/22 \$1.7 billion
- 88% of spend via VMS in FY22/23 (85% in prior year)
- 15.9 million hours logged



Suppliers

- 329 prequalified suppliers
- 12 new suppliers joined
- 175 of the 212 suppliers with spend during FY23 are SMEs



Changes

- Superannuation and Payroll Tax changes
- Changes to criteria for conversion fees
- Supplier Hub



Environment

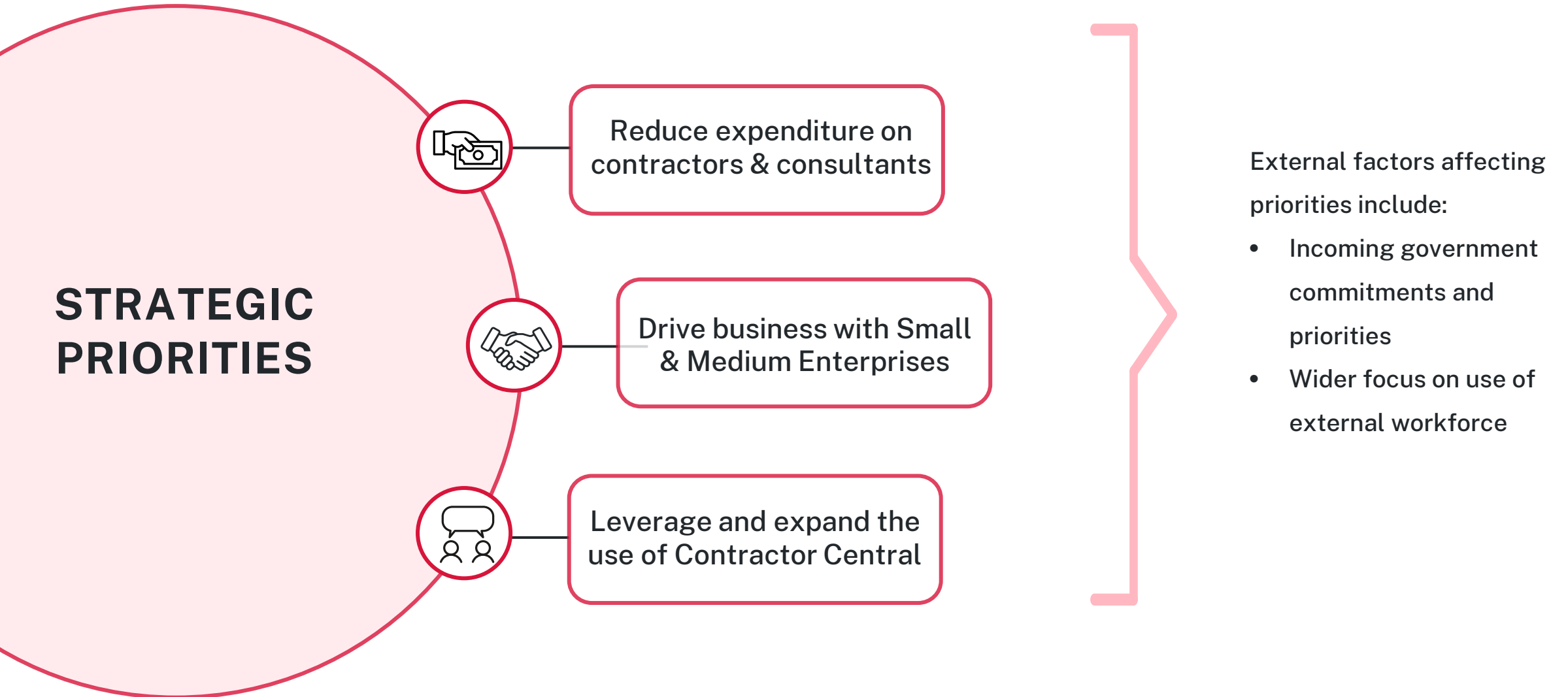
- Change of government
- Commitment to reducing expenditure on agency hire contractors (contingent workforce)
- Machinery of Government (MoG) changes

* Source: VMS and supplier reported data. Does not include ACT Government data.

* Report available at <https://info.buy.nsw.gov.au/schemes/contingent-workforce-scheme>

Strategic Priorities

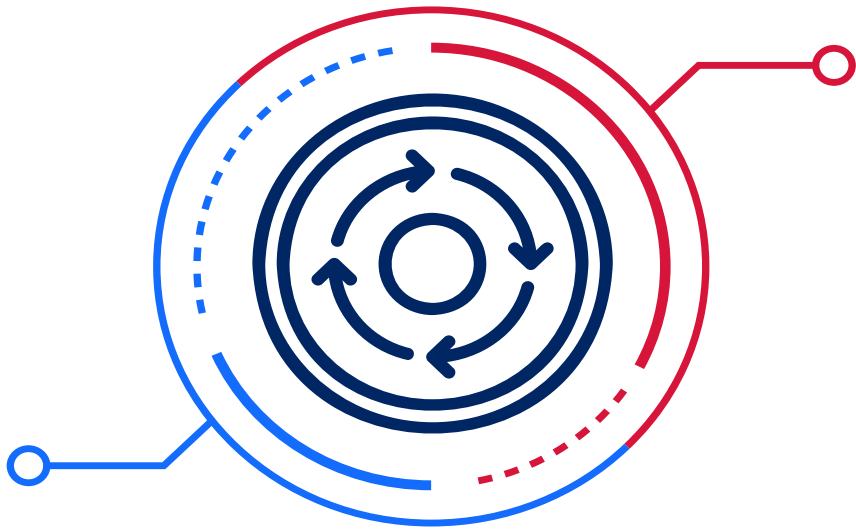
Reflecting the incoming government's commitments and priorities



Contingent Workforce Scheme (SCM0007) Initiatives

SCM0007 Payrate harmonisation

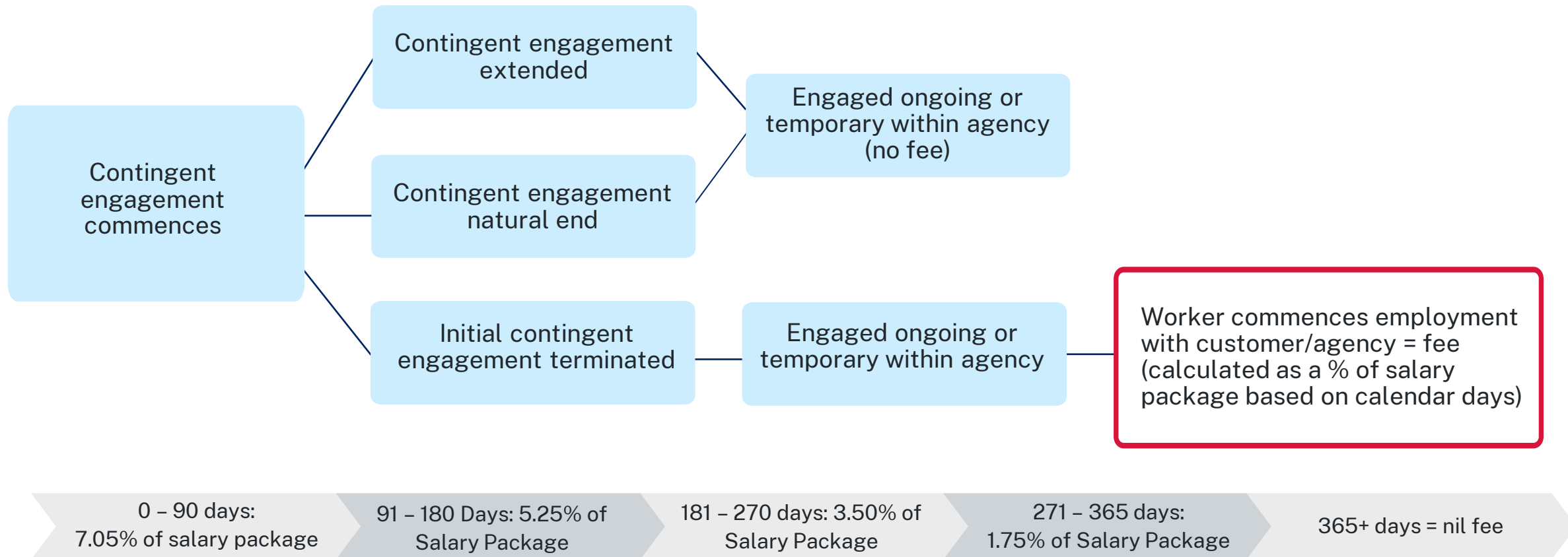
The NSW Government now has sector-wide harmonisation of pay rates for the most common roles



- More consistency and fairness across agencies
- Guide for Hiring Managers
- Regularly reviewed to maintain relevance

Temporary to Permanent conversion fee

Determining whether a fee applies when converting a worker from a 'contingent worker' to 'employed'



Contingent worker pay rate deductions are not permitted



This is an existing SCM0007 requirement and an obligation of all suppliers on the scheme

- SCM0007 prequalified suppliers are obliged, under the scheme rules to not make deductions to contingent worker pay rates.

Clause 6.4 Supplier Obligations (in the scheme conditions) states that :

- i. As the employer, you must pay in full, the contingent worker pay rate and all other amounts payable to the contingent worker (e.g., wages, overtime, allowances, loadings, contributions etc.)
 - ii. You must not deduct or withhold any amount whatsoever
 - iii. You must not under any circumstances charge/claim any other fee from the contingent worker e.g., administrative fees.
- If you're unsure about your obligations, please speak to your MSP.

Employment checks

The NSW government whole of government contract must be used if employment checks are requested



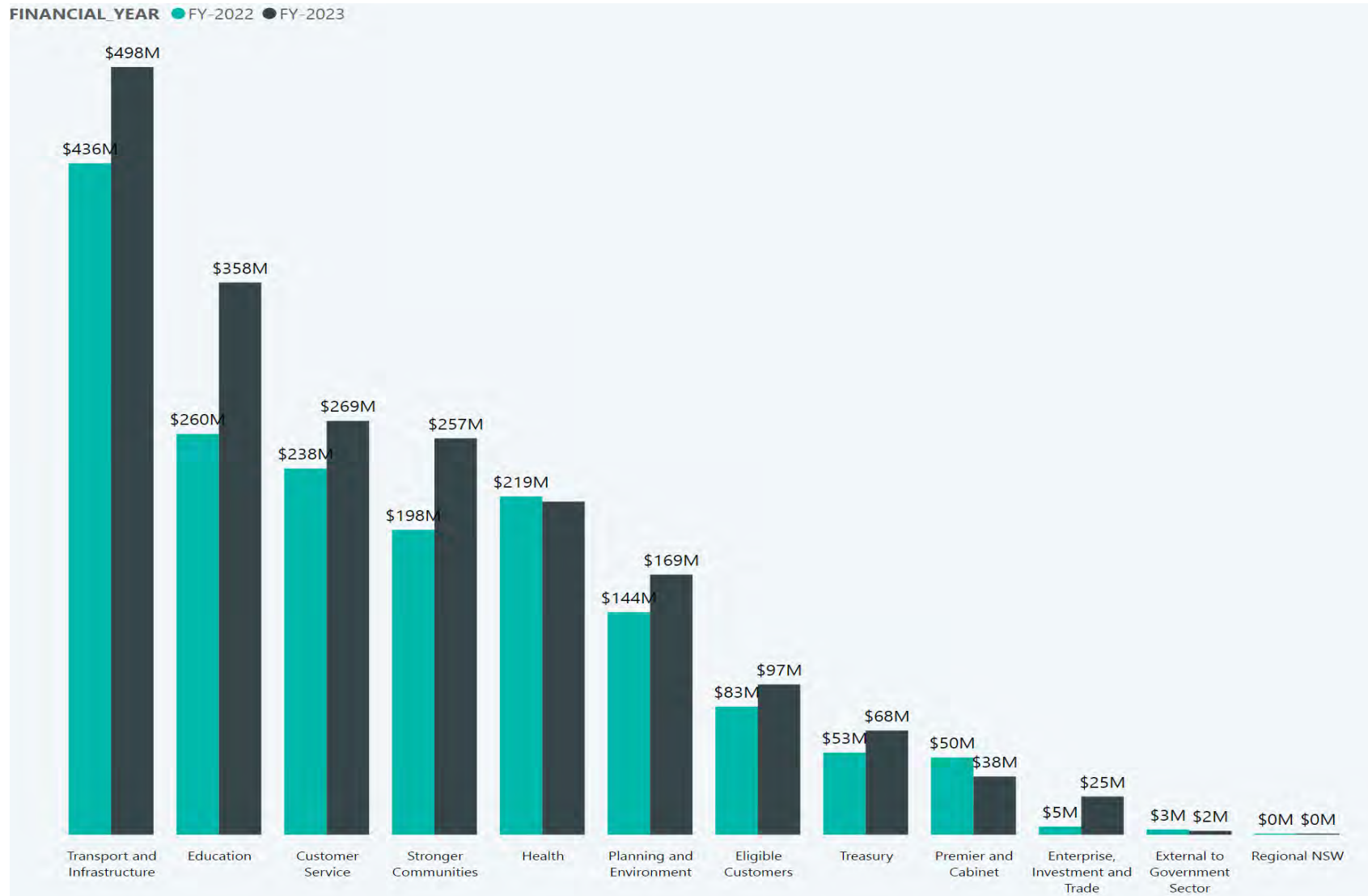
- When undertaking employment checks the mandatory whole-of-government contract (C0011 Employment Checks) must be used to conduct these checks.
- Type of employment checks include criminal/police history, identity checks, qualification checks, license checks etc.
- If you're unsure, point your Hiring Manager in the direction of your MSP. MSPs will coordinate the required employment checks.
- For more information on the contract:
<https://info.buy.nsw.gov.au/contracts/employment-checks>.

Contract C0011 Suppliers

- Equifax Australasia
Workforce Solutions
(ABN 86 080 799 720)
- First Advantage
Australia
(ABN 67 101 863 209)
- Sterling RISQ
(ABN 88 099 537 470)

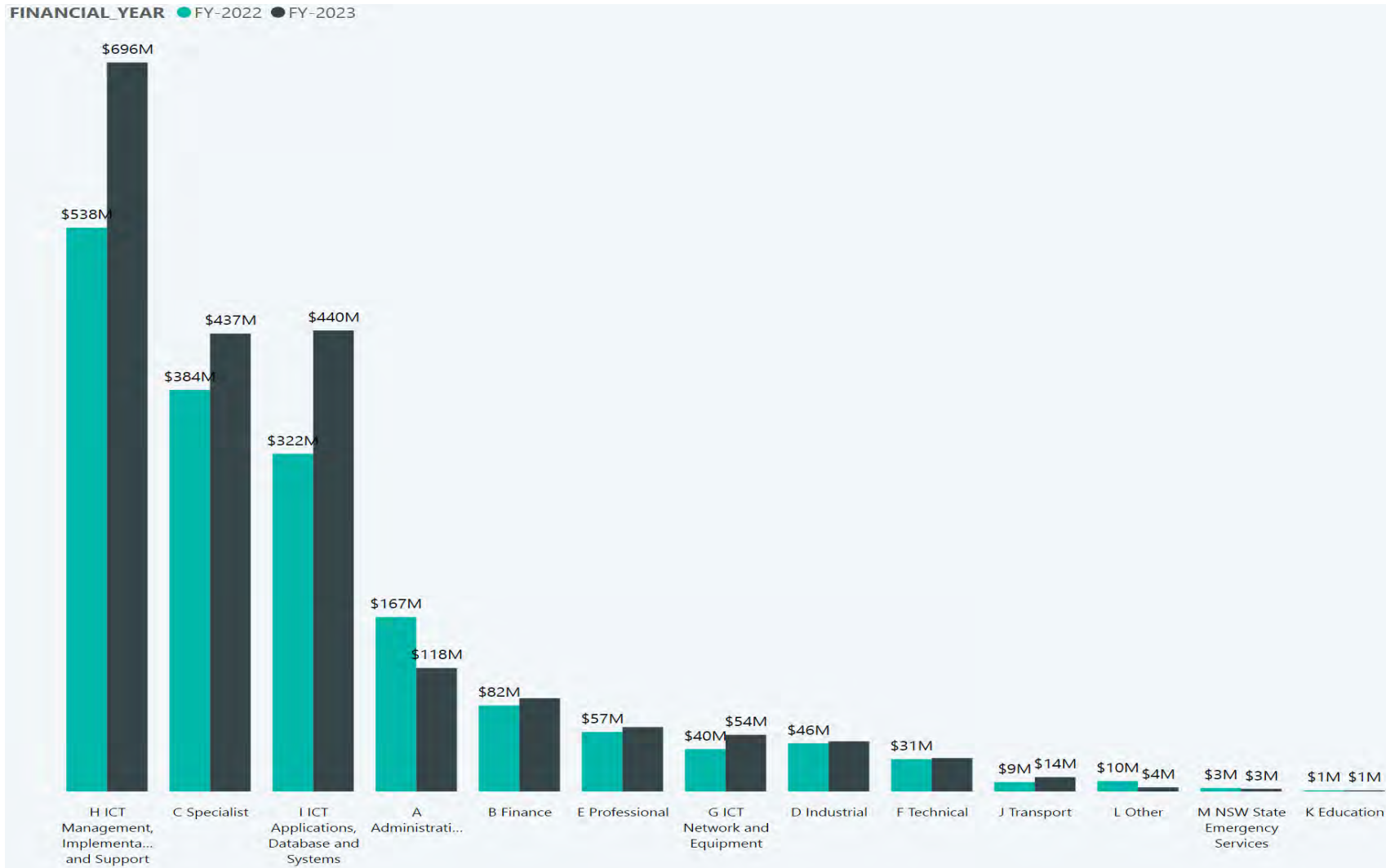
Spend Overview

Spend by NSW Government portfolio



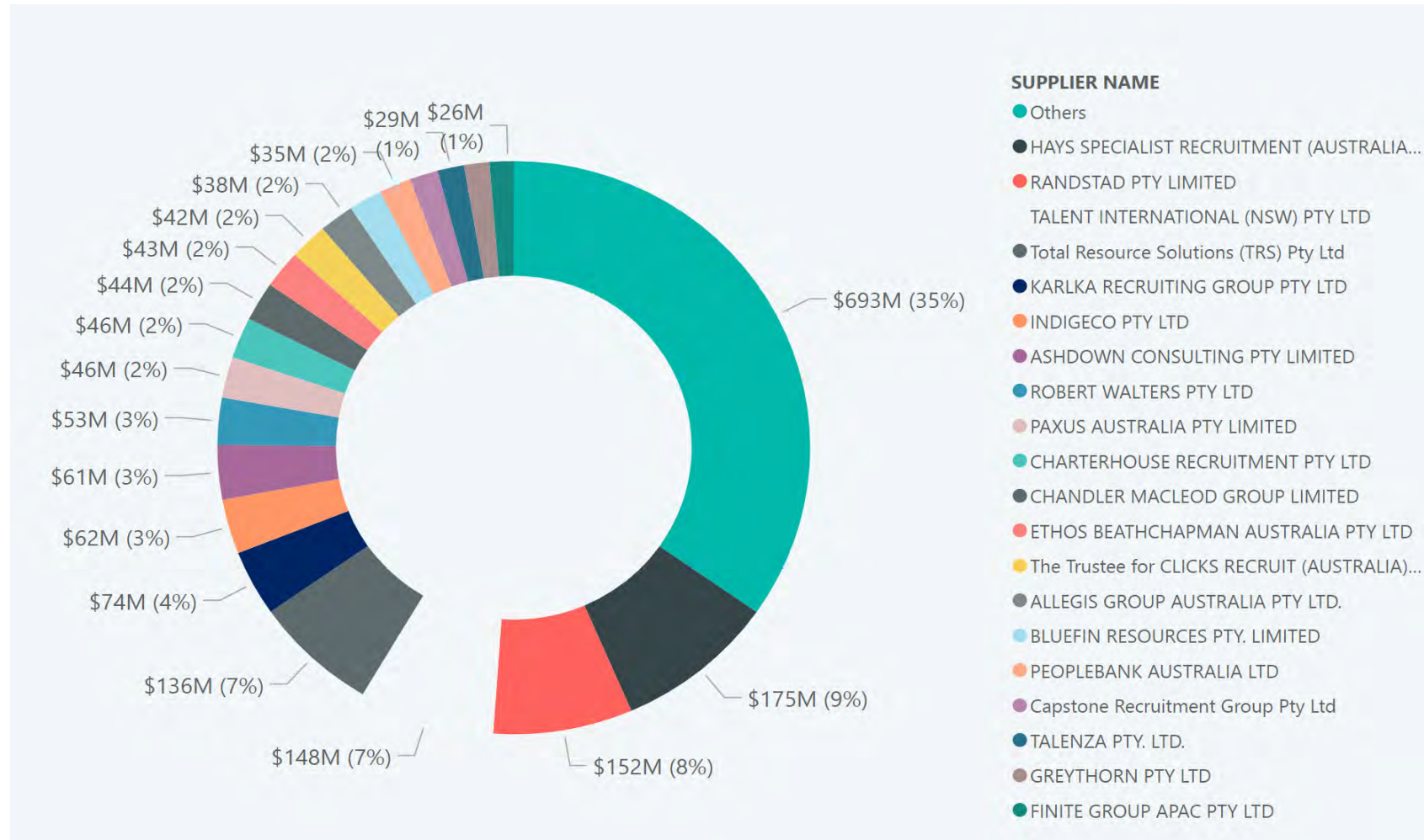
**\$1.93 billion
FY23 spend
represents a
16% increase
versus FY22**

Spend by SCM0007 Category



The greatest increase in spend was in ICT Management, Specialist and IT Applications categories

Top 20 suppliers based on market share



The top 20 suppliers were 65% of spend in FY23 (compared with 67% in FY22)

Source: VMS and supplier reported spend data, excludes ACT Government.

For the full FY22/23 scheme expenditure report visit: <https://buy.nsw.gov.au/schemes/contingent-workforce-scheme>.

Top 20 suppliers list: FY22 (left) vs. FY23 (right)

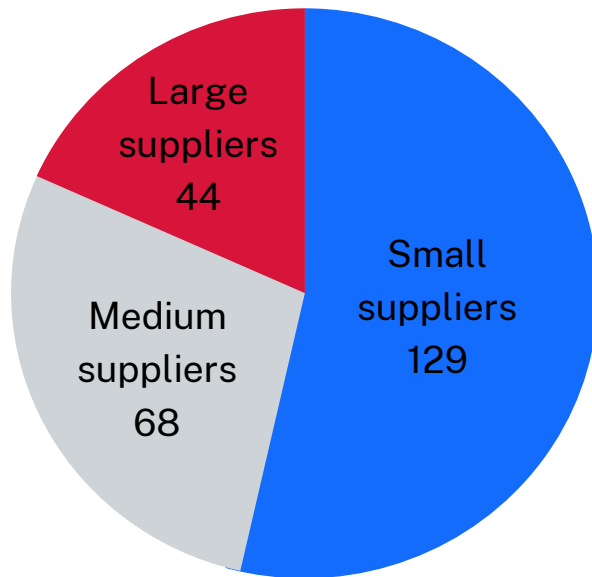


SUPPLIER NAME	TOTAL SPEND	%	Rank	SUPPLIER NAME	TOTAL SPEND	%	Rank
HAYS SPECIALIST RECRUITMENT (AUSTRALIA) PTY LIMITED	\$168,377,005	10%	1	HAYS SPECIALIST RECRUITMENT (AUSTRALIA) PTY LIMITED	\$180,115,467	9%	1
RANDSTAD PTY LIMITED	\$135,474,654	8%	2	RANDSTAD PTY LIMITED	\$152,059,143	7%	2
TALENT INTERNATIONAL (NSW) PTY LTD	\$120,016,283	7%	3	TALENT INTERNATIONAL (NSW) PTY LTD	\$147,951,579	7%	3
Total Resource Solutions (TRS) Pty Ltd	\$112,619,407	6%	4	Total Resource Solutions (TRS) Pty Ltd	\$135,675,946	7%	4
ETHOS BEATHCHAPMAN AUSTRALIA PTY LTD	\$55,706,725	3%	5	KARLKA RECRUITING GROUP PTY LTD	\$73,968,380	4%	5
ROBERT WALTERS PTY LTD	\$50,788,887	3%	6	INDIGECO PTY LTD	\$61,525,832	3%	6
KARLKA RECRUITING GROUP PTY LTD	\$50,173,285	3%	7	ASHDOWN CONSULTING PTY LIMITED	\$61,233,211	3%	7
PEOPLEBANK AUSTRALIA LTD	\$46,114,930	3%	8	ROBERT WALTERS PTY LTD	\$53,051,640	3%	8
ASHDOWN CONSULTING PTY LIMITED	\$46,006,774	3%	9	PAXUS AUSTRALIA PTY LIMITED	\$48,698,496	2%	9
PAXUS AUSTRALIA PTY LIMITED	\$41,622,776	2%	10	PEOPLEBANK AUSTRALIA LTD	\$47,363,063	2%	10
The Trustee for CLICKS RECRUIT (AUSTRALIA) UNIT TRUST	\$40,263,519	2%	11	CHARTERHOUSE RECRUITMENT PTY LTD	\$46,001,708	2%	11
CHANDLER MACLEOD GROUP LIMITED	\$39,733,309	2%	12	CHANDLER MACLEOD GROUP LIMITED	\$45,309,846	2%	12
GREYTHORN PTY LTD	\$37,386,800	2%	13	ETHOS BEATHCHAPMAN AUSTRALIA PTY LTD	\$42,718,667	2%	13
CHARTERHOUSE RECRUITMENT PTY LTD	\$36,752,768	2%	14	The Trustee for CLICKS RECRUIT (AUSTRALIA) UNIT TRUST	\$41,562,355	2%	14
ALLEGIS GROUP AUSTRALIA PTY LTD.	\$34,916,757	2%	15	ALLEGIS GROUP AUSTRALIA PTY LTD.	\$37,985,019	2%	15
Capstone Recruitment Group Pty Ltd	\$32,804,827	2%	16	BLUEFIN RESOURCES PTY. LIMITED	\$37,730,765	2%	16
FINITE GROUP APAC PTY LTD	\$32,340,527	2%	17	GREYTHORN PTY LTD	\$32,904,753	2%	17
BLUEFIN RESOURCES PTY. LIMITED	\$29,828,646	2%	18	Capstone Recruitment Group Pty Ltd	\$30,912,739	2%	18
INDIGECO PTY LTD	\$29,592,283	2%	19	TALENZA PTY. LTD.	\$28,911,351	1%	19
ENTERPRISE IT RESOURCES PTY LTD	\$22,762,234	1%	20	FINITE GROUP APAC PTY LTD	\$26,331,686	1%	20
Others	\$586,442,018	34%	21	Others	\$721,939,987	35%	21
Total	\$1,749,724,412	100%	1	Total	\$2,053,951,632	100%	1

**Notable changes:
Talenza enters
the Top 20.
Increases with
Indigeco, Karlka
and Ashdown**

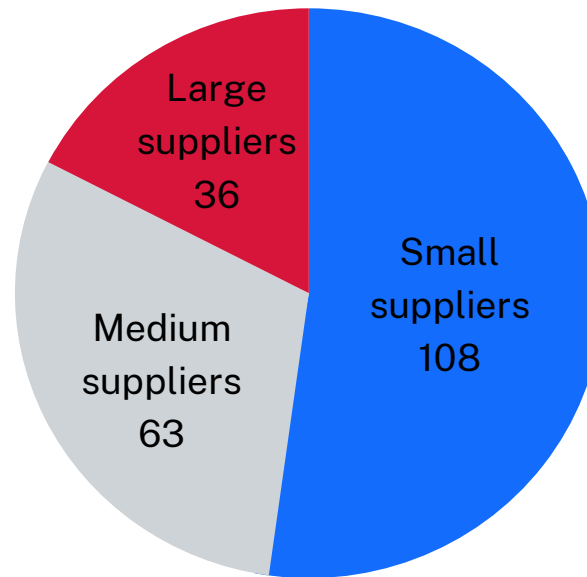
Suppliers with spend classified by small, medium or large

FY2022



Total suppliers: 241

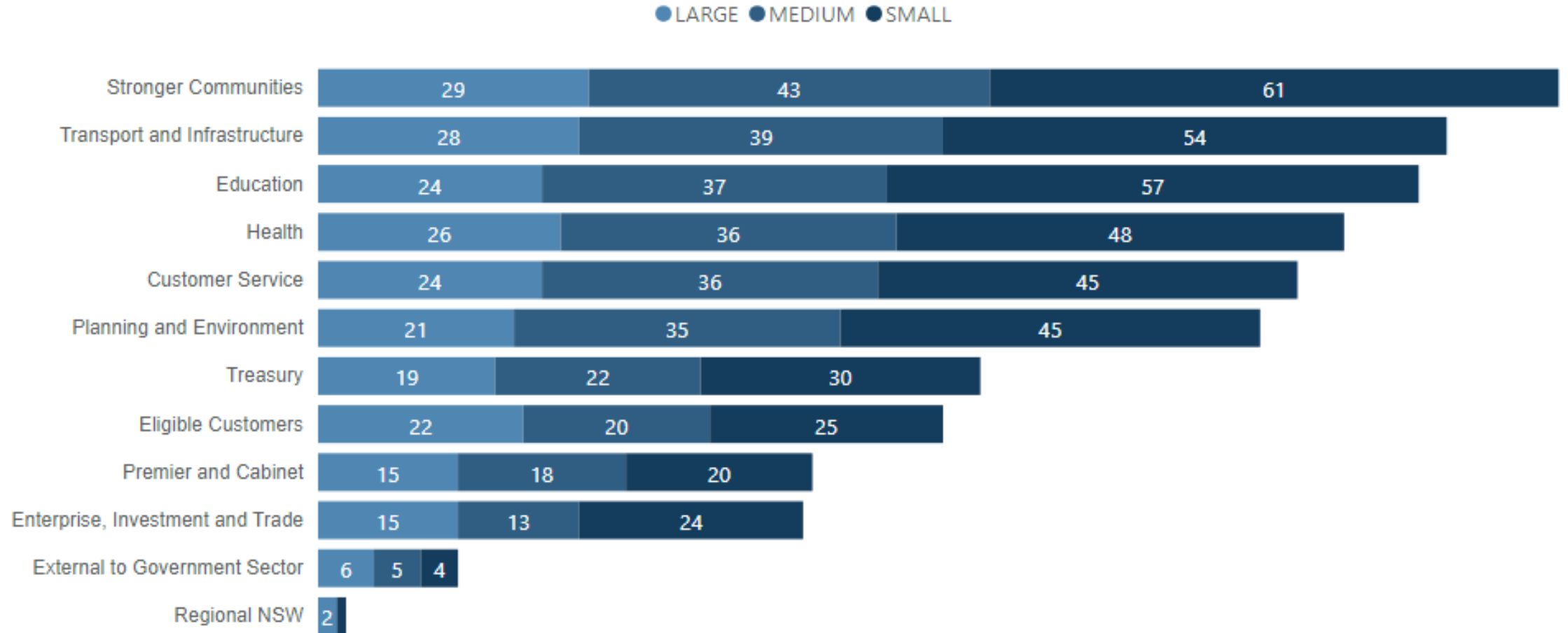
FY2023



Total suppliers: 207

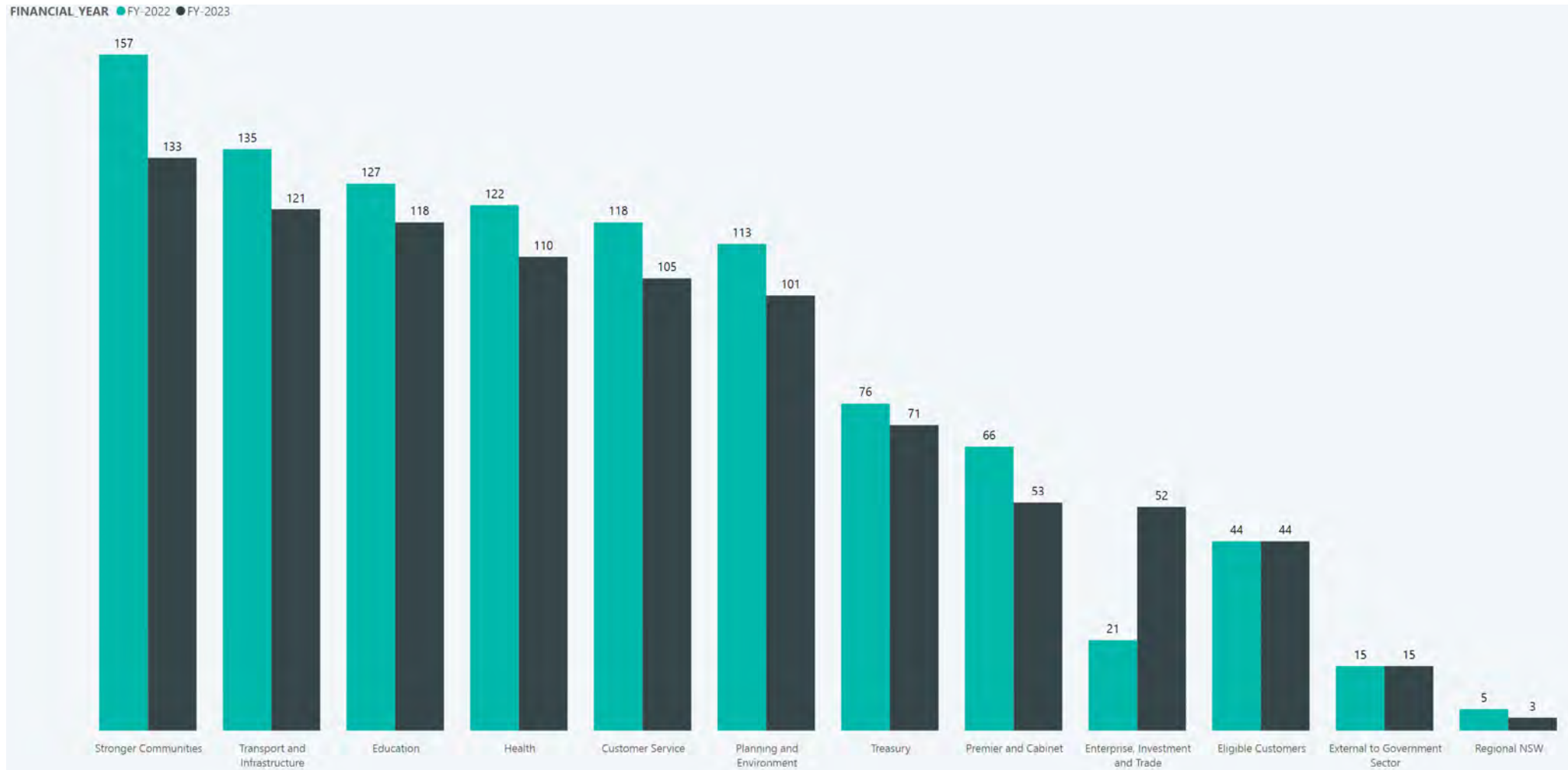
There has been an overall decrease in the number of suppliers being used, from 241 to 207

Small, medium and large suppliers by agency portfolio



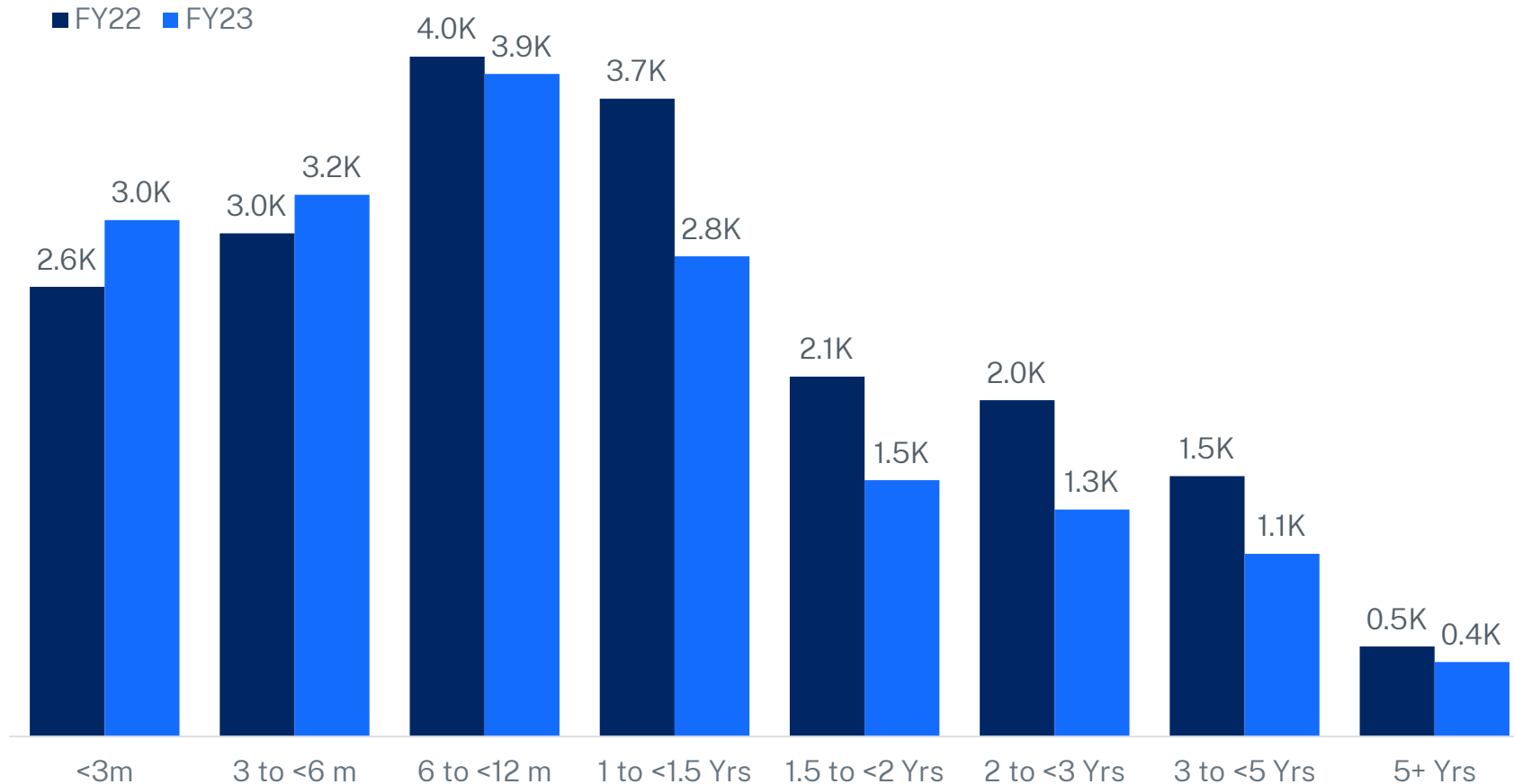
Number of suppliers with spend by agency portfolio

Almost all agencies reduced the number of suppliers engaged in FY23 compared with FY22



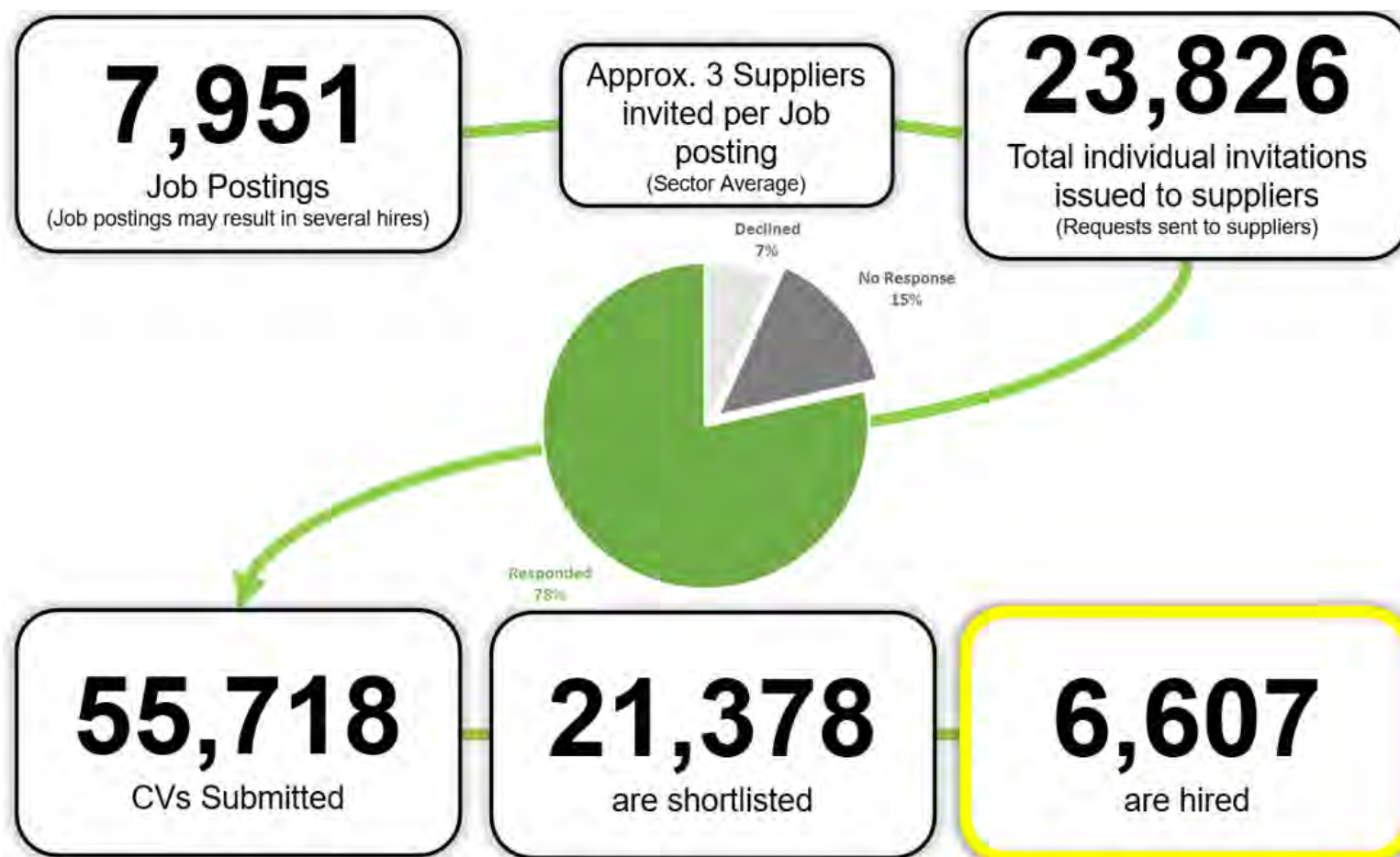
Tenure of Contingent Workers

Active Contractors by Tenure Range

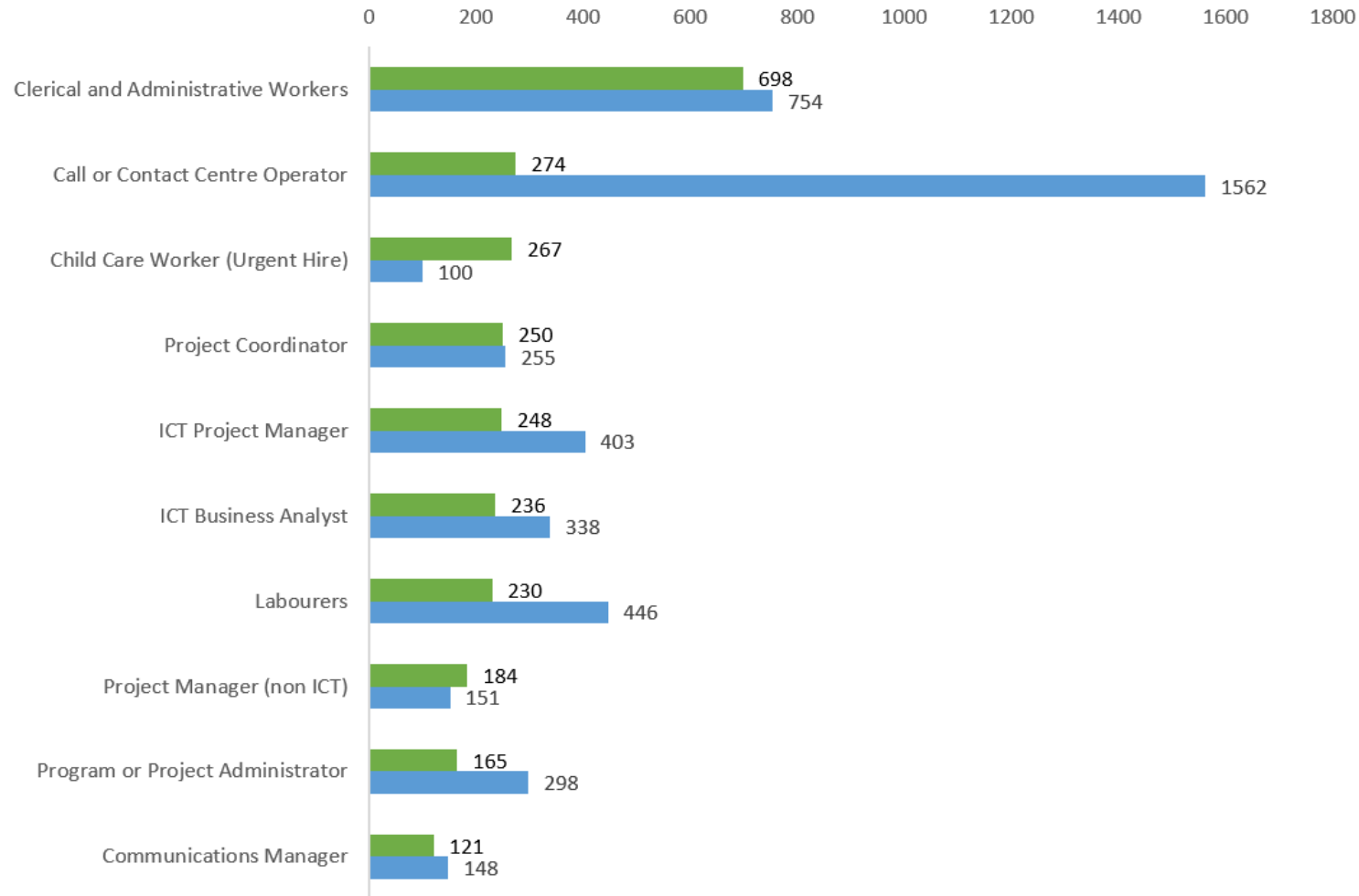


An increase in workers with tenure of <6 months is a sign that the sector is adhering to Public Service Commission (PSC) guidance

Responses to job postings



Top 10 role types by headcount



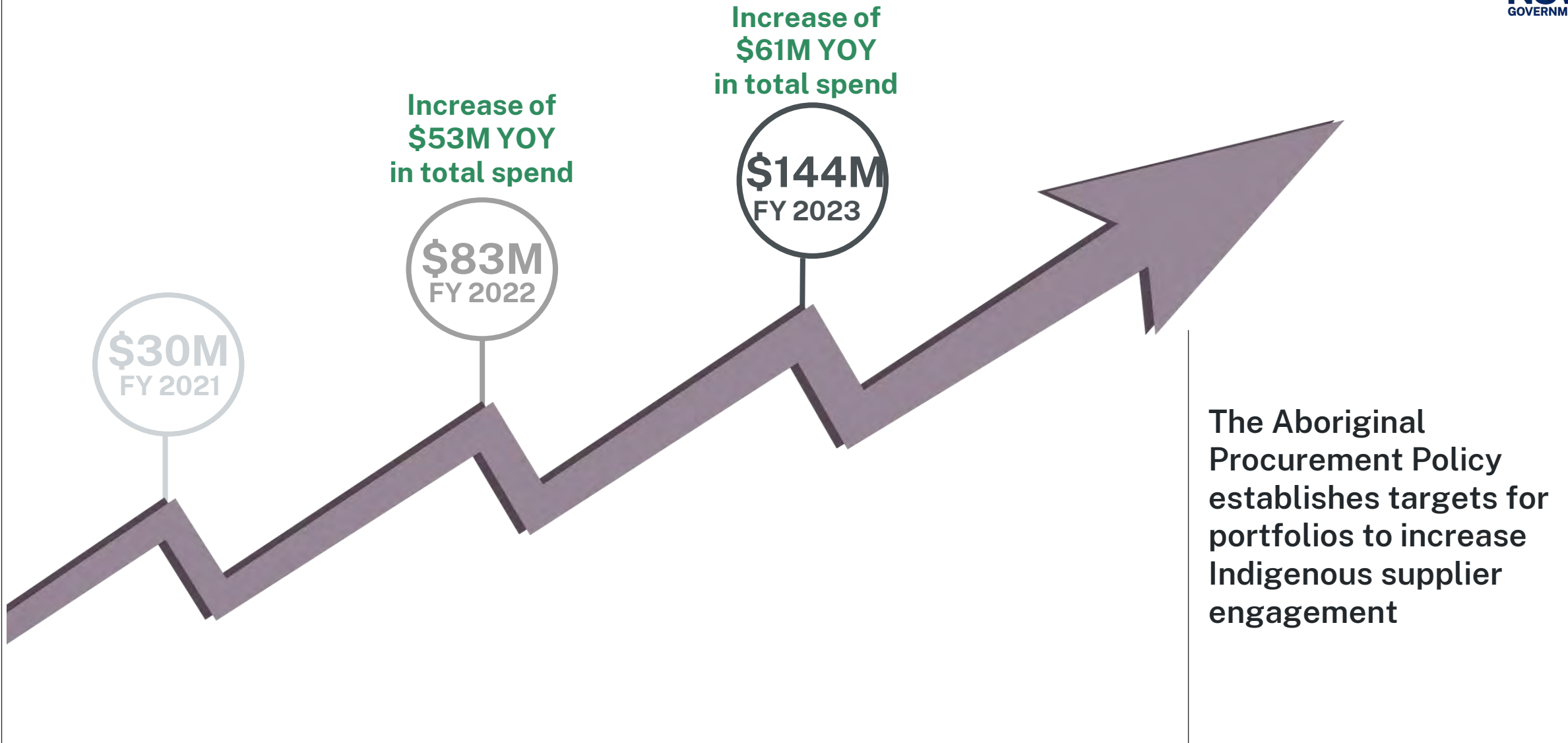
Data source: VMS number of hires by role types

FY2022/23 FY2021/22

The largest rise occurred in the Childcare Worker role type (100 to 267)

There was a significant decline in the Call or Contact Centre Operator role type (1,562 to 274)

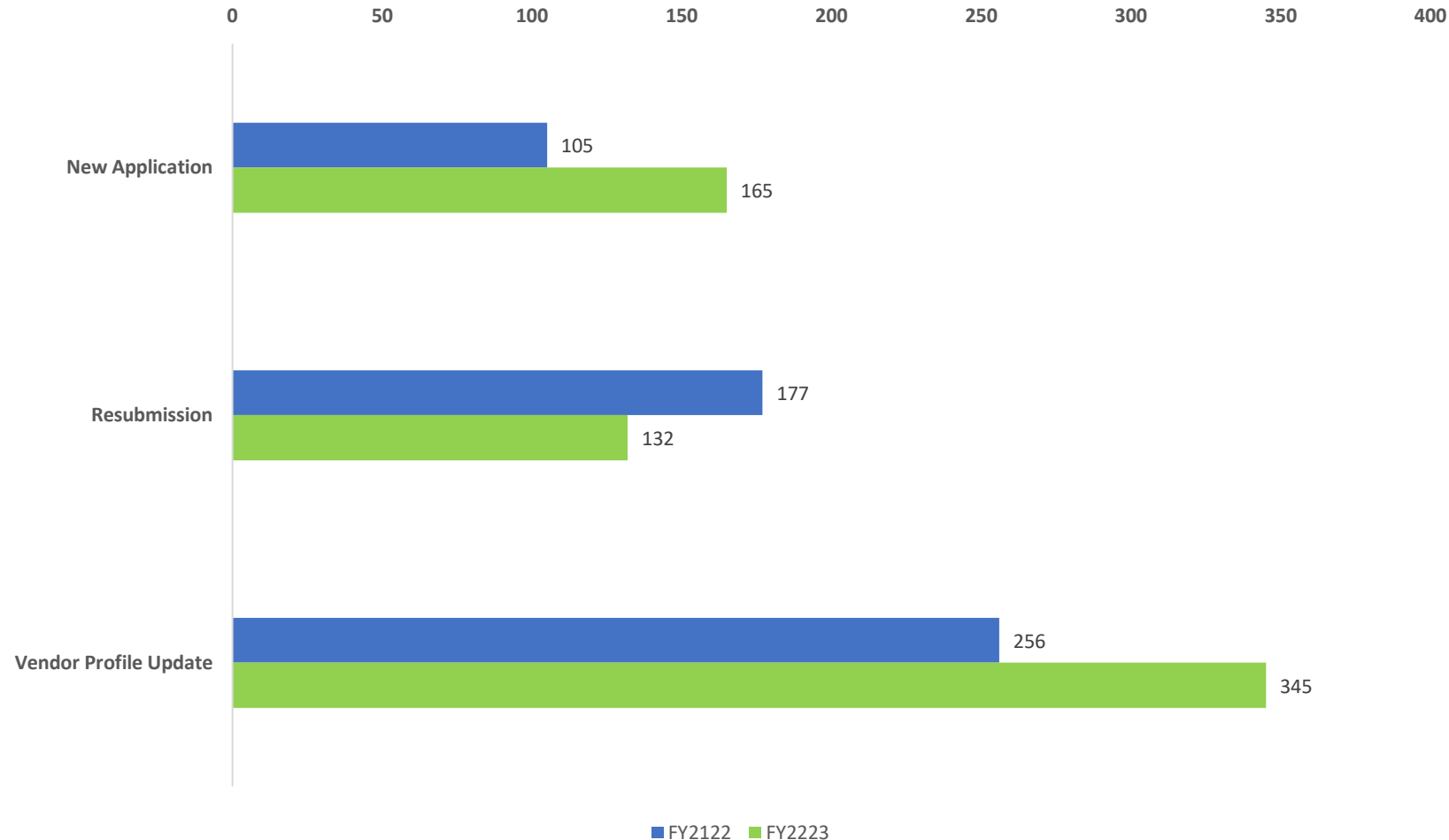
Aboriginal Supplier Spend



Operational Metrics

Trend in application volumes

For applications received: New, resubmitted and profile updates

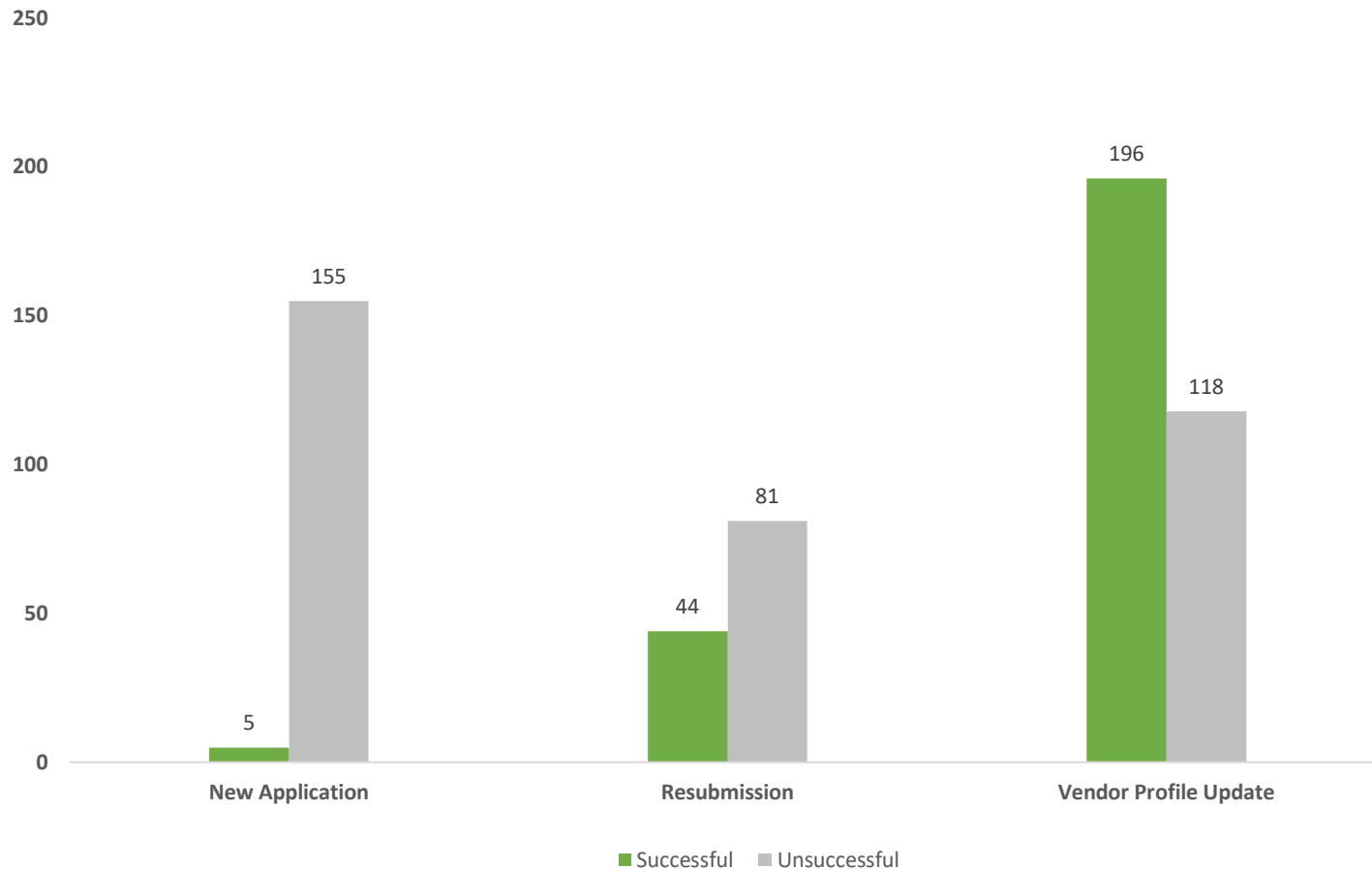


642 lodgments were received for SCM0007 in FY23

165 new applications, 132 resubmissions and 345 vendor profile updates

Success rate for each application type

For applications processed: New, resubmitted and profile updates

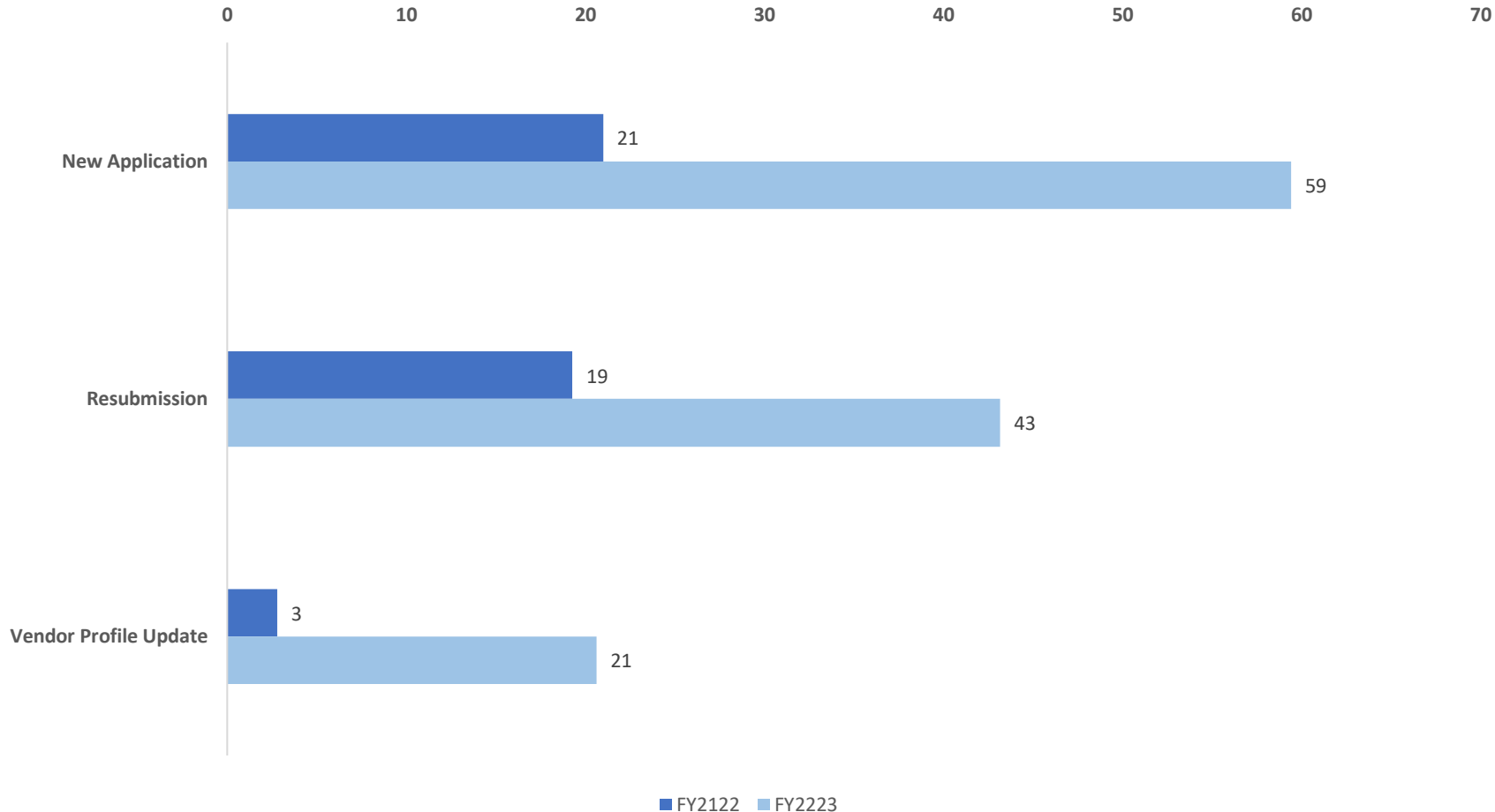


The unsuccessful application rate remained high in FY23.

Main reasons:
insurance, financial reports and recruitment services not being core business

Assessment Leadtime

For applications processed: New, resubmitted and profile updates

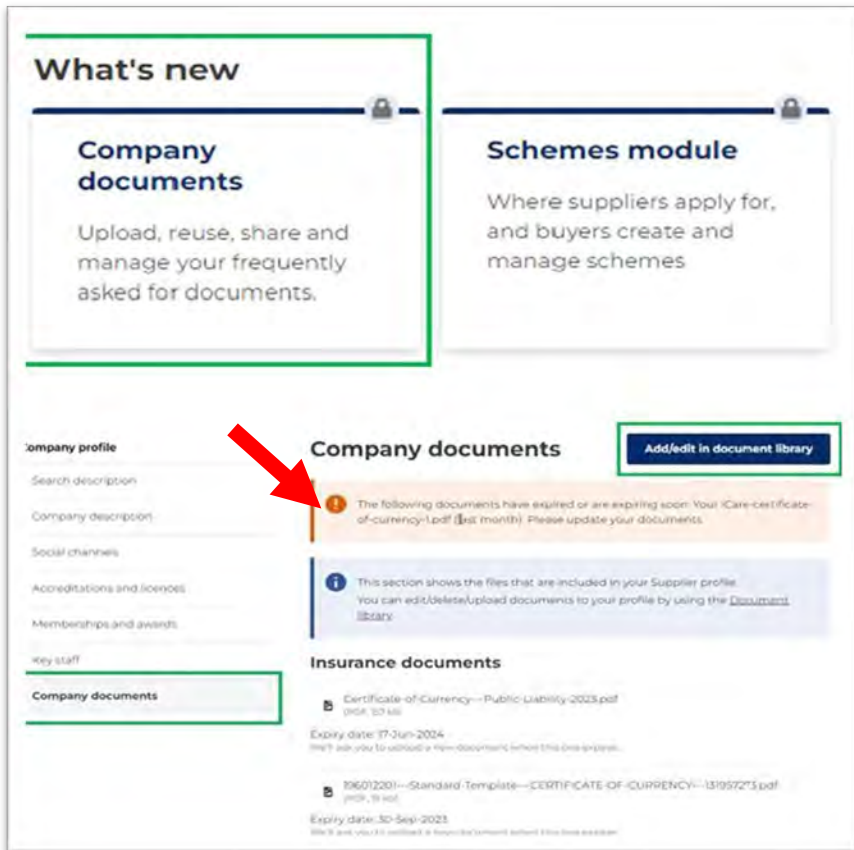


Processing lead-times increased due to the transition to a new platform (Supplier Hub)

Insurance certificates

Supplier Hub is not transferring preloaded insurance certificates in your document library to your scheme membership

Supplier dashboard view



What's new

Company documents

Upload, reuse, share and manage your frequently asked for documents.

Schemes module

Where suppliers apply for, and buyers create and manage schemes

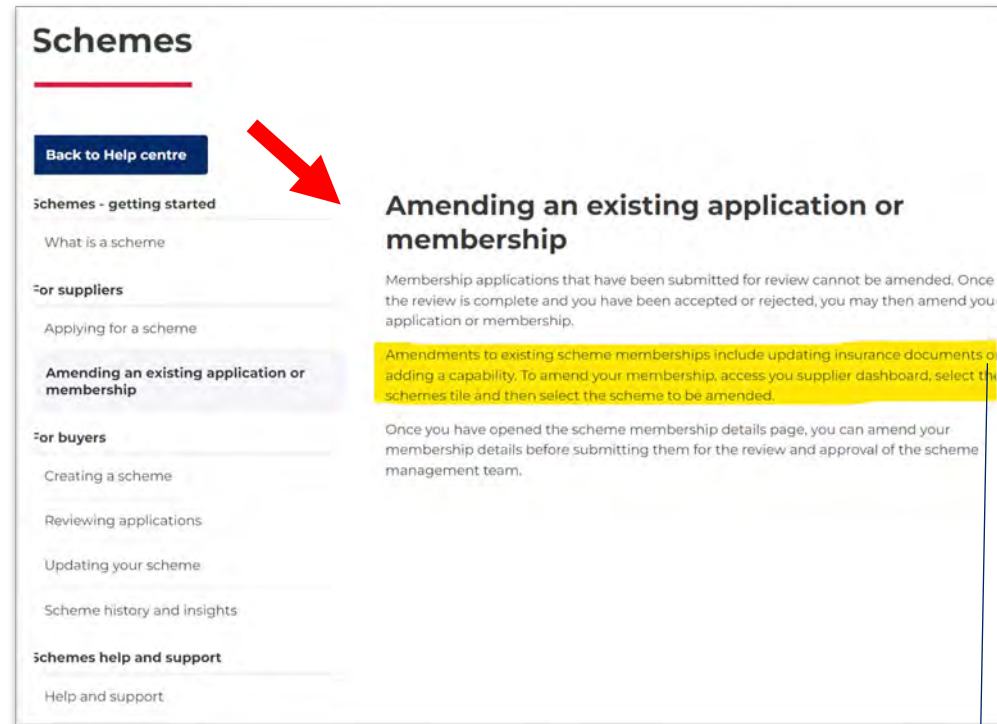
Company documents [Add/edit in document library](#)

Insurance documents

- 1** The following documents have expired or are expiring soon: Your iCare-certificate-of-currency-1.pdf (last month). Please update your documents.
- 1** This section shows the files that are included in your Supplier profile. You can edit/delete/upload documents to your profile by using the [Document library](#).

Insurance documents

- 1** Certificate-of-Currency---Public-Utility-2023.pdf (pdf, 157 kb)
Expiry date: 17-Jun-2024
We'll advise to upload a new document before this one expires.
- 1** 106012201---Standard-Template---CERTIFICATE-OF-CURRENCY---131957213.pdf (pdf, 19 kb)
Expiry date: 30-Sep-2023
We'll advise to upload a new document before this one expires.



Schemes

[Back to Help centre](#)

Schemes - getting started

- What is a scheme

For suppliers

- Applying for a scheme
- Amending an existing application or membership**

For buyers

- Creating a scheme
- Reviewing applications
- Updating your scheme
- Scheme history and insights

Schemes help and support

- Help and support

Amending an existing application or membership

Membership applications that have been submitted for review cannot be amended. Once the review is complete and you have been accepted or rejected, you may then amend your application or membership.

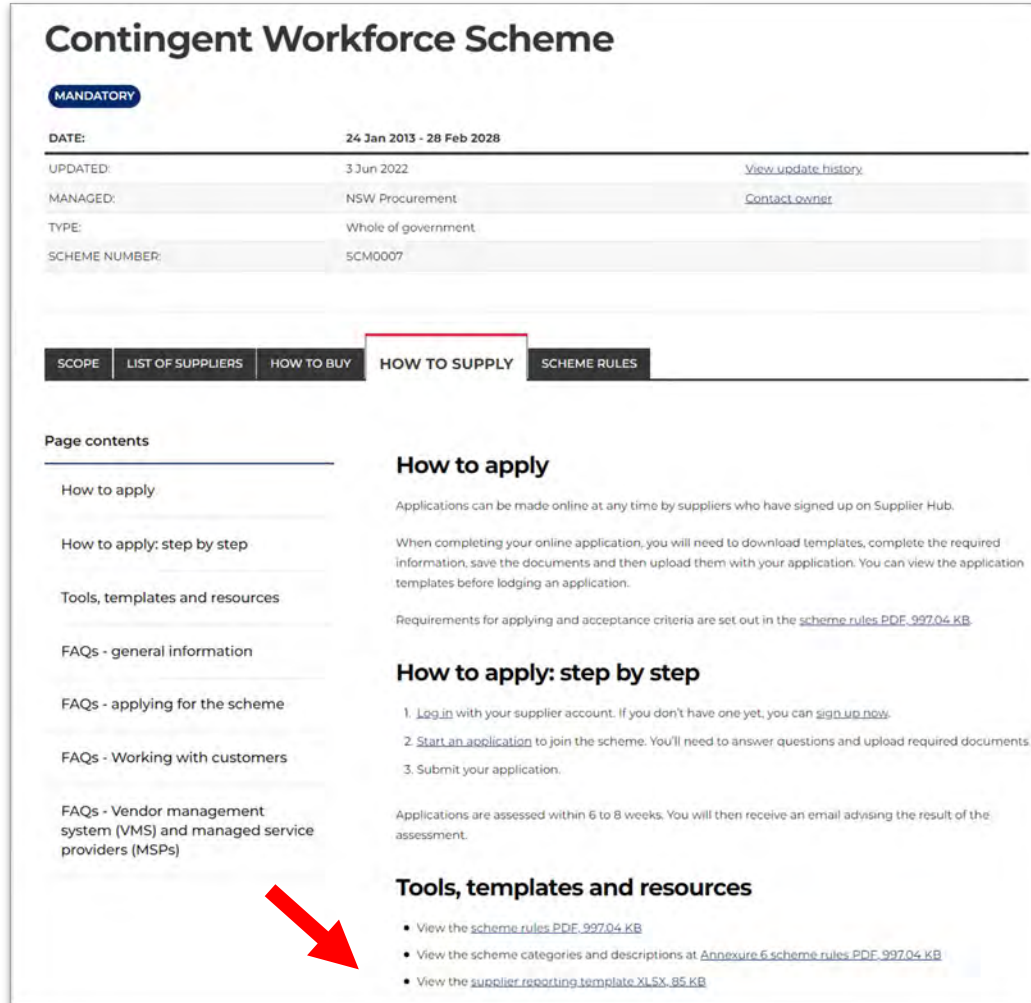
Amendments to existing scheme memberships include updating insurance documents or adding a capability. To amend your membership, access your supplier dashboard, select the schemes tile and then select the scheme to be amended.

Once you have opened the scheme membership details page, you can amend your membership details before submitting them for the review and approval of the scheme management team.

Please continue to update your insurance documents in the SCM0007 scheme module when due

Supplier reported spend template

About 10% of SCM0007 expenditure is transacted outside of Contractor Central (VMS), so supplier-reported spend data collection is essential. You can find the latest reporting template at info.buy.nsw



Contingent Workforce Scheme

MANDATORY

DATE:	24 Jan 2013 - 28 Feb 2028
UPDATED:	3 Jun 2022 View update history
MANAGED:	NSW Procurement Contact owner
TYPE:	Whole of government
SCHEME NUMBER:	SCM0007

SCOPE | **LIST OF SUPPLIERS** | **HOW TO BUY** | **HOW TO APPLY** | **SCHEME RULES**

Page contents

- How to apply
- How to apply: step by step
- Tools, templates and resources
- FAQs - general information
- FAQs - applying for the scheme
- FAQs - Working with customers
- FAQs - Vendor management system (VMS) and managed service providers (MSPs)

How to apply

Applications can be made online at any time by suppliers who have signed up on Supplier Hub.

When completing your online application, you will need to download templates, complete the required information, save the documents and then upload them with your application. You can view the application templates before lodging an application.

Requirements for applying and acceptance criteria are set out in the [scheme rules PDF, 997.04 KB](#).

How to apply: step by step

1. [Log in](#) with your supplier account. If you don't have one yet, you can [sign up now](#).
2. [Start an application](#) to join the scheme. You'll need to answer questions and upload required documents.
3. Submit your application.

Applications are assessed within 6 to 8 weeks. You will then receive an email advising the result of the assessment.

Tools, templates and resources

- View the [scheme rules PDF, 997.04 KB](#)
- View the scheme categories and descriptions at [Annexure 6 scheme rules PDF, 997.04 KB](#)
- View the [supplier reporting template XLSX, 85 KB](#)

[Contingent Workforce Scheme | info.buy.nsw](http://info.buy.nsw)

- Cluster entry removed from the template to make it simpler for suppliers
- Please make sure agency name is reported correctly
- Please adhere to the instructions provided
- Ongoing changes to template – make sure you're using the latest one

Question time

If you have a question, please type it into the chat bar.

Questions received before the forum will be answered first.

Any questions we don't get to will be answered and included with today's presentation, available after the forum at: <https://buy.nsw.gov.au/schemes/contingent-workforce-scheme>.

A red rounded rectangular badge with the word "LIVE" in white capital letters, preceded by a white dot.

• LIVE



Questions received before the forum



Resume feedback

With increase of roles and demand for talent, what is being done to address timely feedback on resumes submitted?

We recommend you work closely with your MSP to support and educate Hiring Managers on the benefits of providing timely feedback on resumes, as well as the consequences of delays in scheduling interviews and extending offers.

Suppliers

As an agency who is not in the top 20 and has had meetings with various MSPs, how do we get a chance to supply candidates for more roles?

It is important to remain in regular contact with your MSP Contractor Central Team to understand forecasted demand. This will assist the MSP in distributing roles to you when they arise.

If a supplier declines a role, will this be noted negatively against them?

No. The expectation is all opportunities are responded to, to allow us to engage additional suppliers if required.

Reference checks and fees

Do we have to reference check referred candidates?

Yes. Clause 2.10 outlines the requirement to conduct reference checks of all referred Contingent Worker/s.

When will NSW Procurement review the supplier fees under SCM0007?

There are no plans to review SCM0007 supplier fees.

Questions received before the forum



Right to represent

Does Contractor Central endorse the current practice, across agencies, of our contingent staff, upon completing an assignment, being advised that they need to register with an Indigenous owned agency and be employed by them if they wish to continue their assignment past the end date, and being advised they are not able to remain with their current agency who placed them with the agency in the first place?

While we appreciate the state government's target around the Aboriginal Procurement Policy, we are finding that some workers are being moved into roles internally without prior notification to the worker or the supplier and being "referred" to a supplier who then take over the engagement.

If a Contingent Worker is represented by more than one supplier, who represents the candidate?

If a Contingent Worker is represented by more than one supplier for a particular role, they will decide which supplier to defer to and represent them (Clause 28.17: Right to Represent).

In the examples discussed above, we recommend, in the first instance raising the issue with the relevant MSP.

Reference: https://info.buy.nsw.gov.au/_data/assets/pdf_file/0011/589790/SCM0007-Scheme-Conditions-2023-09-21-V3.14.pdf

Questions received before the forum



Notice period & tenure

What is the notice period for contractors in NSW Government?

The notice period can vary from role to role, so we strongly advise you to discuss this at the time of assignment briefing.

Do rules exist around the tenure of contractors being engaged with NSW Government?

As part of the guidance provided to NSW Government agencies in the PSC Contingent Workforce Management Guidelines, tenure is considered. Agencies are asked to optimise the use of Contingent Workers as part of their overall workforce strategy and management.

Long Service Leave

Has NSW Government developed a plan for temps/contractors who have worked for more than 5 years with a NSW Government client and their eligibility for Long Service Leave (LSL)?

SCM0007 covers the engagement of contingent labour. The PSC Contingent Workforce Guidelines state that if there is potential for the engagement of a Contingent Worker to be longer than 6 months and there isn't a demonstrable market shortage of the required expertise and capabilities, the Hiring Manager should seek advice from human resources to ensure all alternative methods to fill the role have been considered.

Conversion fees

For example, it may be more appropriate to fill the role via recruitment or through use of existing talent pools or mobility opportunities

What are your thoughts about Hiring Managers tapping contractors on the shoulder to apply for perm roles directly to avoid paying the scheme's temp to perm fee that is applicable depending on tenure in role?

We have considered this and the criteria around determining temporary to permanent fee has been changed, as covered in today's forum (refer to Clause 6.1.3 and 6.1.4).

References:

- www.psc.nsw.gov.au/sites/default/files/2020-12/Contingent%20workforce%20management%20guidelines%20-%202020_0.pdf
- https://info.buy.nsw.gov.au/_data/assets/pdf_file/0011/589790/SCM0007-Scheme-Conditions-2023-09-21-V3.14.pdf

Questions received before the forum



Faster Payments Policy

We are currently registered on the Fast Payments Policy, which states 5 days payments. Yet payments come at a minimum of 30 calendar days and even 60 or 90. Is there any plan to address this?

This shouldn't be happening. In the first instance, please raise this with your MSP. If it remains an issue, please email us at: contingentlabour@treasury.nsw.gov.au.

We will be updating this slide deck shortly to
include Q&As from the forum

THANK YOU

