



Recruitment & On-Hire

A presentation to the
Australian Safety &
Compensation Council



- The RCSA is the peak body for the employment services industry throughout Australia and New Zealand. It is a not-for-profit Association that is managed by a Board of Directors.



- The principal focus of the RCSA is “to represent and serve the interests of Members for the increased profile and professionalism of the industry”
- The RCSA has more than 3200 Members in Australia and New Zealand comprising multi-national companies, single consultancies, and individual practitioners operating within a recruitment consultancy.



On-hired Employee Services

- A commercial service where an organisation, in return for an hourly fee, assigns one or more of its employees to perform work for a third party (client) under their general management and instruction.



Terminology

On-hired Employee

- An individual engaged under a contract of service to perform work for his or her employer's client in accordance with the client's specifications at a location nominated by such client.

On-hired Employee Service Provider

- An organisation that assigns (on-hires) its employees to clients to perform work as specified, at a place nominated by the client.

Host Organisation

- An organisation or person that engages the services of an on-hired employee service provider



Contracting Services

- A commercial service where an organisation, in return for a fee, completes a defined scope of work for a third party (client). Such services may be performed utilising employees or sub-contractors employed or engaged by the service provider.



Terminology

Contracting Services – Managed Project/Contract

The provision of project/contract services to an organisation where the client has outsourced defined operational functions. Typically organisations providing this service shall be responsible for the delivery of a contract package including labour, plant, management, and associated systems of work

The service provider directly engages and instructs employees and sub-contractors in the performance of work to ensure contract completion.



Contractor Management Services

- A commercial service where an organisation, in return for a fee, recruits independent contractors on behalf of a third party (client) and, following direct engagement of the independent contractors by the client, the organisation manages the ongoing supply of independent contractors and their contract performance.



Recruitment Services

- A commercial service where an organisation, in return for a fee, recruits on behalf of a third party (client) candidates that match a desired profile for employment or engagement by the client.



Workforce Consulting Services

- A commercial service where an organisation, in return for a fee, identifies and/or responds to client workforce issues and implements strategies designed to assist clients to achieve business success.

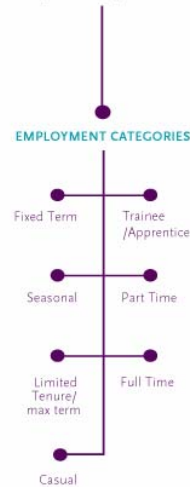


RCSA Categories of Services

RCSA CORPORATE MEMBERSHIP CATEGORIES OF SERVICE

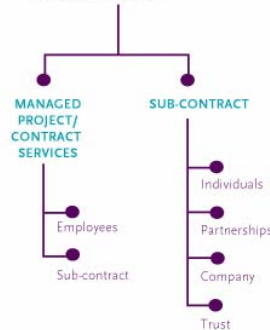
1. ON-HIRED EMPLOYEE SERVICES

A commercial service where an organisation, in return for an hourly fee, assigns one or more of its employees to perform work for a third party (client) under their general management and instruction.



2. CONTRACTING SERVICES

A commercial service where an organisation, in return for a fee, completes a defined scope of work for a third party (client). Such services may be performed utilising employees or sub-contractors employed or engaged by the service provider.



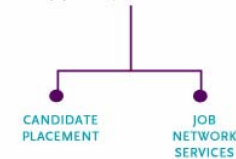
3. CONTRACTOR MANAGEMENT SERVICES

A commercial service where an organisation, in return for a fee, recruits independent contractors on behalf of a third party (client) and, following direct engagement of the independent contractors by the client, the organisation manages the ongoing supply of independent contractors and their contract performance.



4. RECRUITMENT SERVICES

A commercial service where an organisation, in return for a fee, recruits on behalf of a third party (client) candidates that match a desired profile for employment or engagement by the client.



5. WORKFORCE CONSULTING SERVICES

A commercial service where an organisation, in return for a fee, identifies and/or responds to client workforce issues and implements strategies designed to assist clients to achieve business success.





RCSA Membership

- Total revenue for the RCSA Members can be broken down as follows:
 - Permanent recruitment - 43%
 - On-hired employment - 38%
 - Contractor services - 10 %
 - Other – 9%



On-hired Employees

- **Most on-hired employees employed by RCSA members are either skilled or professional workers, not unskilled workers with nowhere else to work.**
 - RMIT University research found the 61% of RCSA on-hired employees are skilled or professional workers with the remaining 39% being semi-skilled or unskilled.



On-Hired Employees

- **Many on-hired employees are employed on a permanent basis, not casual**
 - RMIT University research found that 16% of on-hired employees are now employed on a permanent basis.
- **Where on-hired employees are employed on a casual basis they have improved opportunities for ongoing work as they are supplied to alternative workplaces**
 - RMIT University research found that half of all on-hired casual employees employed by RCSA members are immediately placed in another assignment following the completion of their initial assignment that is, they enjoy 'back to back' assignments without having to search for new work like those engaged in direct hire casual employment.



On-hired Employees

- **An overwhelming majority of people *choose to work as an on-hired employee and the reasons for this choice are not what you may expect***
 - RMIT University research found that 67% of on-hired employees chose to work as an on-hired employee and 34% prefer this form of work over permanent employment.
 - The most important reasons for choosing on-hired employment are diversity of work, to screen potential employers, recognition of contribution and the payment of overtime worked.



On-hired Employees

- **Business uses on-hired employees to help with recruitment and urgent labour requirements, not to reduce cost or pay.**
 - RMIT University research found that the main reason that organisations use on-hired employee services is to resource extra staff (30%), cover in-house employee absences (17%), reduce the administrative burden of employment (17%) and overcome skills shortage issues (9%). Only 2% of organisations surveyed indicated that the primary reason for using on-hired employees was related to pay.



On-hired Employees

- **Business is more productive and competitive because of the use of on-hired workers**
 - RMIT University research found that 76% of organisations using on-hired workers were more productive and competitive as a result.



On-hired Employees

- **On-hired employment creates jobs and doesn't necessarily replace direct hire employment opportunities**
 - RMIT University research found that 51% of organisations using on-hired employees would not necessarily employ an equivalent number of employees directly if they were unable to use on-hired employees. In fact 19% of organisations said they would rarely do so.
 - Furthermore, 19% of RCSA member on-hired employees eventually become permanent employees of the host organisation they are assigned to work for, according to RMIT University research.



OHS Legislation

- The RCSA submit that it is both unreasonable and potentially unsafe to place the same obligations on OES Providers to ensure the prevention of risk as that of host organisations.
- An OES Providers state of knowledge of existing, ongoing and potential workplace risk is deficient when compared to that of host organisations given that host organisations maintain principle control of the environment and systems that contribute to the immediate source of the risk.



OHS Legislation

- In most circumstances, clients are best placed to identify hazards, assess risk, implement sustainable risk control measures and monitor the effectiveness and maintenance of such measures in most circumstances.



OHS Legislation

RCSA does not wish to diminish its responsibilities to ensure the safety of on-hired employees we simply seek to ensure that the responsibilities assigned to providers of on-hired employee services under the Act:

1. Are sustainable given a service provider's restricted state of knowledge of the systems of work within the principle place of work (host organisation workplace).
2. Are within the service provider's capacity to implement and maintain given the absence of real control of many risks within the host organisation's workplace.
3. Do not duplicate or interfere with the risk management obligations of the party who has the real control of the immediate workplace.



Challenges to Compliance

- An RMIT report commissioned by the RCSA identified a considerable source of difficulty in carrying out pre-placement OHS assessments of client workplaces with 62% of RCSA members and 63% of non-members reporting that clients had made it difficult for them to carry out assessments of their workplaces or obtain information to ensure compliance.



Challenges to Compliance

- RMIT Survey found that 36% of clients believe that on-hired employee service providers should **rarely or never** have the right to instruct clients in how to manage workplace safety for the protection of their own employees.



Challenges to Compliance

- Further frustration arises as a result of the duplication of risk management and this frustration is compounded where there may be multiple providers of on-hired employee services in one workplace.



Compliance Challenges

- The workplace environment can be altered after the completion of a site assessment or the tasks to be performed by the worker can often be changed (without the knowledge of the OES Provider) and at times without the worker being provided with further specific training and/or re-induction. This further illustrates the limited capacity of an OES Provider to control workplace risk on an ongoing basis and to ensure a sustainable system.



Variables

- There are many variations of on-hired employee service provision. What may be practicable in one circumstance may not be practicable in another.
- Common variants include:
 - the number of on-hired employees
 - the ratio of on-hired employees to host employees
 - the length of the assignment
 - the level of risk associated with the work being performed
 - the level of expertise of the on-hired employee and the clients reliance upon such
 - the state of knowledge of the industry within which such on-hired employees are working



Future Legislation

- RCSA advocates the assignment of certain responsibilities to the party that is in the best position to identify and control risk in workplaces and employment arrangements where currently there is dual responsibility that promotes inefficient duplication that results in the establishment of gaps when one party believes the other party has taken control.



Future Legislation

- The maintenance of legislation that promotes overlapping duties for the sake of it fails to recognise that each party, OES provider and host organisation, only have real and effective control over certain aspects of the employment relationship and it is in these areas of real control that principle responsibility should lie. This in turn ensures the most efficient understanding of the parties and utilisation of their resources for the ultimate welfare of the worker.



Future Legislation

Some of the principle issues that require further legislative consideration include the apportionment of legal responsibility between an OES provider and host organisation in relation to the following obligations:

- Principle responsibility for conducting risk assessments and which party is in the best position to carry out such assessments.
- Principle responsibility for the provision of job specific instruction
- Principle responsibility for the provision of job specific training
- Principle responsibility for the provision and maintenance of ongoing qualified supervision
- Principle responsibility for the notification of reportable incidents
- Principle responsibility for the ongoing enforcement of safety procedures



RCSA Initiatives - OHS

- Centralised portable induction and safety training solution
 - www.workpro.com.au
- Free systems development training
 - VWA sponsored (3 hours)
- One day training – Pre placement client OHS systems assessments
 - SA WC insurer sponsored



RCSA Initiatives - OHS

- Development of National Training Standard
 - Certificate of Risk Management – On hired worker services
- Key contributor to WorkCover guidance material
 - Placing Workers in Safe Workplaces
- Victorian RTW Project
 - RTW cooperative