

## RCSA CODE GUIDELINE

# SERVICE NETWORKS (GENERAL) 2019/03

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# RCSA CODE GUIDELINE

**Title:** Service Networks (General) 2019/03

**Digest:** Service networks are an important feature of the environment in which Members operate. Members should be able to identify and describe their service networks. They should have a reasonable understanding of the laws and regulations that affect their service networks, and they should exercise their influence within their service networks reasonably to avoid being involved in the exploitation of workseekers. The guideline offers outcomes, indicative behaviours and contra-indications that might demonstrate if the standard of professional conduct required by the RCSA Code is being met with regard to a Member’s involvement in service networks.

**Date:** 5 February 2019

**Status:** Provisional

**Usage:** RCSA Code Guidelines are not mandatory.

However, they inform RCSA Members and the public about how the Code is likely to be interpreted and applied in specific situations involving Members.

They also assist Members to conduct themselves consistently with their commitments to develop values of personal professionalism and to embed those values in the conduct of their employment services dealings, by measures appropriate to their size and circumstances.

They may be used to fashion Professional Conduct Recommendations under RCSA’s Disciplinary & Dispute Resolution Procedures and its professional Conduct Grievance Intervention Guidelines.

**Focus:** This Code Guideline relates to the following Code 5 standards

Diligent & Competent	Trustworthy	Respectful	Knowledgeable	Co-operative		
Confidentiality	Care	Certainty of Engagement	Effective Complaints Handling	Social Sustainability	Ascertain & Assure	Continuous Disclosure
Meet Code Standard	Avoid Unsatisfactory Professional Conduct	Assure accountability				

**Authority:** RCSA Board (date); ACCC Code Authorisation (date) *[insert when obtained]*

**Review:** *[insert date]*

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# Ensuring Reputable Service Networks

When RCSA Members deliver recruitment, staffing and other services to clients and workseekers they often rely upon a range of other service providers, and business partners, to do so. Payroll providers, training providers and other staffing firms, whom you partner with to source and place workseekers, are good examples of other businesses that exist as part of your Service Network.

Whilst these businesses are typically separate businesses to yours, they all play a critical role in the delivery of professional and ethical services and, therefore, you need to ensure they are reputable. Just because they are a service provider or an informal partner doesn't mean you can wash your hands of any responsibility. Imagine finding out that a payroll provider you were using to engage your contractor workforce wasn't paying tax or was set up as a criminal enterprise. Regardless of any protests your firm would be tarnished and, in some cases, held liable as an accessory to the crime.

The RCSA Code has evolved to place professional responsibilities upon Members to ensure they have reputable Service Networks that do not cause or contribute to exploitation and this guide has been developed to assist you to understand your responsibilities and comply with the standard of professional conduct required by the RCSA Code.

## 1. What is a service network?

*A service network is the network of critical roles that allows you to provide your recruitment and staffing services – e.g. payroll provider, sourcing agent, sub-agency in a tiered supply arrangement, accommodation provider, training & induction provider. The RCSA service network concept is limited to specific roles that are performed by people with whom you have a direct contract, arrangement or understanding. Arrangements and understandings are not necessarily formal; they are often as informal as “a nod and a wink”.*

## 2. How is a service network relevant to a recruitment or staffing firm?

*It is relevant because it allows your firm to deliver services to clients and workseekers, and you therefore have a direct interest in it working properly and professionally. Your ability to identify and describe your service networks may help you to meet your supply chain reporting responsibilities and your clients to meet theirs. Members who are unable to do so might find that they miss out on lucrative work.*

## 3. What can go wrong within a service network? Are there any examples?

*The providers in a service network can sometimes turn out to be rogues e.g. a sourcing agent that charges workseekers a fee for referring them to you, or a payroll provider who is deducting those fees from payments due to your workers and keeping them in debt bondage. There are cases involving dodgy arrangements between “training” providers and recruitment/staffing service providers that have resulted in millions of dollars in fines, loss of entitlement to participate in government migration and other programs, back pay to workers, and bans on directors from involvement in the industry.*

4. Why do service networks need to be managed carefully?

*Exploitative arrangements expose your workseekers to harm. Being implicated in them damages your reputation and that of the industry and may leave you exposed to liability as an accessory. So, for recruitment and staffing firms, good “supply chain” governance often starts with good stewardship of their service networks.*

5. What do RCSA Members need to do to effectively manage service networks?

*Service networks are an increasingly important feature of the environment in which Members operate. Members should be able to identify and describe their service networks. They should develop a reasonable understanding of the laws and regulations that affect their service networks, and they should exercise their influence within their service networks reasonably to avoid being involved in the exploitation of workseekers.*

*The [operating provisions](#) which RCSA Members must comply with, in order to meet the requirements of the Code for Professional Conduct, are outlined in this Guideline.*

## Preamble

*observing* important distinctions between traditional commodity supply chains and value networks for the supply of services;

*noting* the sophistication, complexity, specialisation, and multiple-rolled nature of contemporary workforce structures and of the recruitment and staffing models which support them;

*acknowledging* concerns about the harm that may be caused to labour market participants by uncertain, unsustainable and exploitative business models and practices;

*noting* gaps left in statutory licensing and regulatory schemes pertaining specifically to the recruitment, consulting and staffing industry;

*recognising* that Members and their stakeholders seek guidance from RCSA in the form of template benchmarks, outcomes, and indicative behaviours concerning standards for conducting workforce services dealings;

*desiring* as a Leader in the World of Work, to articulate personal and operational values and principles:

- to inform and guide the professionalisation of the on-hire, recruitment, contracting and consulting industry across Australia and New Zealand in the interests of its Members and the public; and
- to strengthen public confidence in identifying trusted and ethical professionals amongst the array of service choices, online and artificial intelligence models, and self-proclaimed experts

*reminding* Members that professional conduct extends not only to their direct conduct but also to conduct in which they are involved

RCSA PROVIDES THIS GUIDELINE TO ASSIST ALL MEMBERS TO MEET THE STANDARD OF PROFESSIONAL CONDUCT REQUIRED BY THE RCSA CODE IN RELATION TO THEIR SERVICE NETWORK DEALINGS.

## Operating Provisions

1. Members should, in relation to their service networks, achieve the following outcomes:
  - 1.1. Members can identify and describe their service networks and service networks in which they are involved;
  - 1.2. Members have a reasonable understanding of the laws and regulations that affect their service networks and service networks in which they are involved;
  - 1.3. Members exercise their influence within their service networks and service networks in which they are involved, reasonably to avoid being involved in the exploitation of workseekers.
2. Members might achieve the outcomes in paragraph 1 by the following indicative behaviours:

- 2.1. training key staff to identify and describe relevant service networks and the laws and regulations that affect them;
  - 2.2. keeping records of service network dealings, contracts, arrangements and understandings in which they are involved;
  - 2.3. monitoring and reviewing service network dealings that affect their workseekers;
  - 2.4. establishing procedures to obtain information about service network operations that affect their workseekers – e.g. by including information request provisions in their terms of business;
  - 2.5. establishing procedures to receive and respond to complaints about service network operations that affect their workseekers;
3. The following contra-indications might demonstrate that a Member has failed to achieve the outcomes in paragraph 1:
- 3.1. entering into unsuitable, inappropriate, or inadequately documented contracts, arrangements or understandings with their service network participants;
  - 3.2. being subject to a finding of having exploited or having been involved in the exploitation of workseekers.