

Engaging and managing consultants, contractors and labour- hire workers

Queensland Government Procurement

(Updated – 16 March 2026)

The State of Queensland (Department of Housing and Public Works) 2026



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Disclaimer

This document is intended as a guide only for the internal use and benefit of government agencies. It may not be relied on by any other party. It should be read in conjunction with the Queensland Procurement Policy, Information and cyber security policy (IS18), your agency's procurement policies and procedures, and any other relevant documents.

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Administration

Version 2.3 of this document replaces all previous versions of this document and takes effect immediately.

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1. Introduction

1.1 About this Guide

This guide is about engaging and managing consultants, contractors and labour-hire workers in the Queensland public sector.

It describes the difference between consultants, contractors and labour-hire workers, when it is appropriate to engage them, and how to best manage them.

Any provider of a service must be sourced, selected, monitored, and managed according to best practice, as outlined in this guide.

1.2 Links to Queensland Government Policy

Engaging consultants, contractors and labour-hire workers is a procurement / purchasing activity that must comply with the *Queensland Procurement Policy* (QPP), issued by the Department of Housing and Public Works. The guide should be read in conjunction with the QPP, your agency's (department's) procurement procedures, and any associated guidelines your agency may have issued.

Specific frameworks and guidelines are in place to guide building and construction consultant and contractor engagements. More information is available from the Queensland Government *Forgov* website.

Agencies must publish details of their awarded contracts valued at \$10,000 and over, in accordance with the QPP (please refer to the [Procurement Guidelines: Contract Disclosure](#)). Reporting requirements are specified in the *Annual Report Requirements for Queensland Government Agencies* (issued by the Department of the Premier and Cabinet), and your agency's procurement procedures and guidelines.

1.3 Limiting the use of consultants, contractors and labour-hire workers

The Queensland public sector is committed to attracting, retaining and developing a workforce with the core capabilities to deliver the business of government, ensuring productivity and value for money.

Agencies must not engage consultants for 'core', 'general', 'long-term' public services functions.

Core public service functions are described as the work and services that are essential to the every-day running of the government and the delivery of its priorities. These functions will vary between agencies, and agencies must support the building of in-house skills in these areas.

In limited, specific, short-term and/or one-off circumstances, public sector capability may need to be supplemented with skills, expertise or capacity from either consultants, contractors or labour-hire workers.

1.4 **NEW:** Queensland Government Consulting Services

Queensland Government Consulting Services (QGCS) which is a division of Queensland Treasury Corporation was established on 1 July 2025 to provide high quality consultancy services to support Queensland Government departments.

The purpose of QGCS is to reduce the government's reliance and expenditure on external consultants and help to build capability of the public service.

Details of the QGCS service offering is provided on their website at <https://www.qgcs.com.au/>.

2. Consultants, contractors and labour-hire workers

2.1 Context

The decision to seek external support to help deliver government policies, projects and programs is often driven by the need for specialist, technical skills and/or additional capacity, to ensure initiatives are delivered in a timely and effective manner.

Reasons for engaging consultants, contractors or labour-hire workers may include:

- the work requires skills and expertise that are not available within the public sector; or it is not efficient to recruit or maintain within an agency
- there is a need for a genuinely independent view
- the engagement connects the government with the latest technical advances, emerging key skills or expertise and builds the sector's capability
- work requires capacity due to unpredictable demands that require immediate or time critical action.

It is important to understand the differences (particularly) between consultants and contractors as they are engaged and managed differently, and their engagement is different to regular recruitment and staff (employee) management.

There are important legal issues affected by this distinction, including but not limited to:

- taxation law requirements
- liability for superannuation guarantee charge payments
- exposure to WorkCover legislation.

Please refer to [Australian Taxation Office](#) and [Fair Work Ombudsman](#) for more information. If you are not sure, contact your agency's legal, HR and/or procurement area.

2.2 What is a consultant?

A consultant may be engaged as an individual or via an organisation, and **all** of the following must apply:

- provides expert knowledge to analyse information, draw conclusions and make recommendations in the form of a written report or an intellectual product for future action
- the nature of the output is not necessarily predictable, it tends to be open ended and is more complex (e.g., a range of recommendations which the agency must consider)
- develops a new concept or process and where the agency requires critical judgement to consider the recommended course of action
- is engaged for a fixed period at an agreed payment rate; and
- work is not directly supervised by the agency.

Examples of a consultant's tasks may include:

- providing expert advice on technical and professional matters
- carrying out research projects, attitudinal surveys, feasibility studies and fact-finding investigations where recommendations are made
- re-organising an agency or business unit
- providing advice in the development of policy and strategic planning issues.

Hint – Understand the problem

Consultants help you find solutions and deliver outcomes. You don't need to have all the answers, but it is important to understand and define the problem before working on solutions.

In some cases, you can do this within the agency, with the help of subject matter experts and other stakeholders. Consultants can also help to define the problem by drawing together the right people and asking the right questions before a problem statement is agreed and the work on solution development begins.

Typically, consultants spend more time in the scoping phase of a project, including identifying what the problem is, what the deliverable will be, what is **IN** (and often more importantly **OUT**) of scope. A more structured approach to scoping, and revising scope, if necessary, can create better visibility of work and allow for milestone identification.

2.3 What is a contractor?

A contractor is engaged as an individual or via an organisation to perform set tasks or perform set roles. Some contractors may call themselves consultants, however they are usually more correctly described and engaged as a contractor.

Examples of contractors include:

- key-note speakers, workshop facilitators, trainers, presenters
- information technology programmers, software development and implementation, analysts and system support staff
- market researchers, organisations compiling statistical data
- built environment designers and production undertaken by architects and engineers
- valuers of land, buildings and other agency assets or potential assets
- road and bridge designers
- designers
- trade services providers – including plumbers, carpenters, electricians
- cleaners (individuals, not contract for services)
- general financial, procurement, legal and taxation advisors
- financial auditors, workplace health and safety auditors and most probity advisor/auditor activities.

Please note, A contractor does not provide a **recommendation** but provides a conclusion which the agency can accept or reject.

2.4 What is a labour-hire worker?

A labour-hire worker is an individual/worker (employee - PAYG) engaged through a recruitment company (employer) to perform short-term services directly for government agencies. The agency pays the recruitment company for services performed by the worker, and the recruitment company then pays the worker. The worker is not an employee of the agency and is not on the agency payroll system. However, line management and direction of the labour-hire worker is provided by the government agency. Typically, the individual/worker is engaged for a pre-defined period-of-time.

2.5 Knowledge, skills and/or capability transfer

Engaging a consultant or contractor presents an opportunity to increase public sector capability. Where it is deemed critical to engage consultants or contractors, agencies must ensure that they can clearly account for the benefits derived from the engagement.

Knowledge, skills and capability transfer must be included when developing project specifications.

In turn, as part of their response, the consultant or contractor should highlight how the process of knowledge, skills or capability transfer will be embedded into engagement.

This should not be limited to any one phase of the project. Examples might include:

- a final report to include lessons learnt
- training of staff about processes and methodologies
- webinars or presentations using the engagement as a case study
- guided experience – for example embedding a public servant within the consultant team
- co-locating the consultant or contractor with public servants. The agreed process must be reflected in the contract and managed as a deliverable.

Hint – Knowledge transfer

When developing procurement and contract specifications, agencies need to consider at what stages knowledge, skills and/or capability transfer needs to occur and ensure this is included in the contract. Incorporating the knowledge, skills and/or capability transfer requirements at various stages of the project will help strengthen internal capabilities.

Knowledge, skills and/or capability transfer initiatives do not have to be complex or expensive to implement. Some of the simplest solutions, such as embedding agency staff within the consultant team, can be most effective.

At contract completion, consultants or contractors could be required to provide a “Reference of Capability” to nominated recipients, stating their involvement with the contract, the level of training completed, and skills acquired.

3. Expectations of consultants, contractors and labour-hire workers

3.1 Values and Expectations

Working in the public sector requires consultants, contractors and labour hire workers to adhere to the values and expectations of the public sector, as though they were employees. For more information read the [Code of Conduct for the Queensland Public Service](#).

Additional requirements are also outlined in the *Queensland Government Supplier Code of Conduct*.

3.2 Managing conflicts of interest

Under the Queensland Government Supplier Code of Conduct, consultants, contractors or labour-hire workers must specifically address any conflicts of interest (potential, perceived or actual) when submitting a proposal to undertake work.

Identifying a conflict of interest does not mean the engagement can't go ahead; it is up to the agency to determine how the conflict should be appropriately managed.

Existing and emerging conflicts of interest must also be appropriately managed throughout the duration of a contract.

Conflicts of interest must be managed by requiring the consultant, contractor or labour-hire worker to:

- disclose conflicts of interest as part of the engagement process and / or warrant that no conflicts of interest exist
- provide a copy of their company conflict of interest policy, where one exists
- provide a signed conflict of interest declaration prior to providing services
- notify the commissioning agency immediately if a conflict of interest arises or there is a risk of one arising.

Agencies should refer to their departmental conflicts of interest policy when deciding how to resolve an identified conflict of interest.

Terms and conditions allow for a contract to be terminated if a conflict existed prior to the contract being awarded, but was not previously declared, or if a conflict arises during a contract which the agency considers cannot be appropriately resolved to the agency's satisfaction.

These conditions exist in current whole of government terms and conditions. Example clauses can be found in the conditions published on the [General Goods and Services templates page](#) of Forgov.

Further guidance to support managing conflicts of interest is available in the probity and integrity in procurement guide on the [Procurement Guidance page of Forgov](#).

Hint – Dual Purposes

Public servants should be cognisant of situations whereby consulting, contracting or recruitment companies concurrently work for government and other clients, including those who may be trying to access funding or services from government. Loyalties and priorities can become blurred.

Consulting, contracting or recruitment companies should be required to identify where these conflicts of interest exist, and how they will be managed when submitting a proposal of work, including the creation of “ethical walls” to prevent information exchange.

3.3 Consultants and contractors who may also be lobbyists

Under the *Integrity Act 2009*, lobbyists who act on behalf of third-party clients must register with the Integrity Commissioner before they contact a state or local government representative for the purpose of lobbying activities. Lobbying means any attempt to influence the decision-making of a government or opposition representative in the exercise of their official functions on behalf of a third party, for a fee or other reward.

The Queensland Integrity Commissioner maintains the [Register of Lobbyists](#) which is required under s.49 of the *Integrity Act 2009*.

Lobbyists also have a responsibility to meet the standards set by the [Lobbyists Code of Conduct](#).

When engaging consultants or contractors, agencies should check the Register of Lobbyists as part of the procurement process. If any consultant or contractor is identified as a registered lobbyist, consider the risk of undue influence and conflicts of interest that may arise, and refer to the relevant policies and procedures of your agency.



Sourcing Processes

This next section has been separated into two processes, being:

- Engaging and managing consultants and contractors (Section 4)
- Engaging and managing labour-hire workers (Section 5).

4. Engaging and managing consultants and contractors

(NEW) From 6 March 2026, agencies that are considering engaging a consultant or contractor are required to follow a new process, that is outlined in Step 3 below.

Step 1: Identify and demonstrate the need for a consultant or contractor

A clear reason for engaging a consultant or contractor, needs to be based on giving consideration to whether a consultant or contractor is required and if it is it must be approved by the appropriate delegate before any sourcing process begins.

An authorised (or delegated) officer needs to select a project manager early in the process. The project manager needs to have a thorough knowledge of the project requirements and be responsible for the management and review of the performance of the consultant or contractor.

It is important to determine if your agency regards the engagement as a significant procurement. It is also important to check whether your agency has any specific policies or procedures relevant to the engagement of a consultant or contractor that you need to take into consideration.

Step 2: Specifications

It is critical that a clear specification is developed, so your agency and the potential suppliers know precisely what is expected of each party. The specification serves as a planning and control mechanism for the project. It also provides a standard against which to measure whether the consultant or contractor has achieved the required results.

Specifications will depend on the nature and complexity of the engagement and the work to be performed.

It is suggested that the following be included as minimum:

- purpose of the engagement – state outcomes that are specific and measurable
- clear scope of the work
 - for consultants, the purpose and scope may feature a “problem statement”; used when solution development is needed
- timeframes for work to be achieved, including milestones with defined outcomes and service standards
- requirement for costing the project when tendering (e.g. hourly or daily rates and breakdowns of consultant overheads)
- expected knowledge, skills and capability transfer (to build public sector capability), where appropriate
- key personnel should be identified and any changes negotiated
- expected reporting requirements, where appropriate
- provide a certified copy of the requested degree, qualifications or licence
- intellectual property considerations
- insurance requirements
- contract termination terms
- payment terms.

Specifications may indicate essential requirements to achieve a successful outcome, including:

- experience in work of a similar nature
- track record in similar work
- technical skills and credentials

- management skills
- method of delivery
- time performance
- quality assurance

When developing specifications to define the requirements, agencies should ensure that these do not restrict innovative solutions or limit opportunities for local suppliers or small and family businesses, and medium enterprises.

Agencies should also consider requesting information only at the point in time that it is required during the evaluation process (rather than up front).

Agencies must consider requirements for the management of cyber security risks including within their supply chain. Refer to the Managing cyber security in procurement guideline available from the [procurement guide page](#) on Forgov.

A risk assessment will help to determine the types and value of insurances required for the project. The types of insurance that may be required include:

- professional indemnity insurance (*)
- public liability insurance - needed if the consultant/contractor is located on Queensland Government premises
- WorkCover - required if the consultant has employees and
- Cyber Security insurance.

() this insurance will be required for consultants but may only be required for particular contractors.*

Refer to the determining insurance requirements in procurement available from the [procurement guide page](#) on Forgov.

For high relative expenditure, high risk or complex projects, an evaluation panel should be established to prepare the specification and to evaluate offers.

Hint – Budgets

When issuing a tender for a consultant or contractor, consider including a budget or an indicative price range. This will help suppliers to submit realistic offers, make it easier to compare offers and avoid clarification requests and negotiations about scope.

Hint – Intellectual property

Intellectual property is defined as the rights arising from original creative intellectual activity. The Queensland Government should own intellectual property, especially if it is integral to the operation of the government's activities. In some circumstances, the government will be deemed to own the intellectual property that is created by others "by or under the direction or control of" the government. Legal advice should be sought on this issue.

If others, including the consultant or contractor, want to use the intellectual property, the agency could license its use in appropriate circumstances. Joint ownership of intellectual property between the consultant or contractor and the government is also possible but seek legal advice first. The idea is to strike a fair deal for both parties, but importantly, to protect the interests of the government.

Step 3: Submit C&C Form (Approval may be required prior to progressing)

Please note that prior to commencing a sourcing process, you must first complete the Consultant and Contractor online form on the [Queensland Government Arrangements Directory \(QGAD\) website](#). This form includes questions about scope, timing, intent and alignment to government policy.

Professional Services Stream

If your engagement is for a Professional Services (as per the categories and sub-categories described in GGS0111-24 Professional Services) then your submission will be automatically progressed to an oversight committee. You will need approval from this committee prior to progressing to Step 4.

The oversight committee meets regularly. This will generally result in submissions taking two to four weeks to be assessed. Submitters will be advised of the outcome of their requests, including any conditions or alternative recommendations.

Further detail on the new process, including Frequently Asked Questions is also available on the QGAD website to support your agency's procurement functions.

Other Contractor and Consultancy Streams

If your engagement is for a stream other than Professional Services, then once you have submitted the form, you can proceed to Step 4 without waiting for an approval.

Step 4: Sourcing a supplier

If approval is given to engage an external consultant or contractor via Step 3 above, you must then develop a strategy to approach the market through the appropriate procurement planning and supply market analysis process. There are guides and templates available on the [procurement guide](#) and [manage a contract](#) pages on Forgov to help you plan and implement a sourcing process and manage a contract.

The type of sourcing process that you choose will depend on variables including:

- the nature, scope and complexity of the project
- the availability of the services required and the characteristics of the market
- any action the agency may want to take to develop or influence the market
- the project budget
- the processing costs associated with the procurement
- opportunities to advance the government's economic, environmental and social objectives
- probity and accountability considerations.

In certain circumstances, it may be appropriate to issue a sole invitation. For example, where there is a consultant or contractor who is uniquely positioned to provide the service, such as an eminent academic who leads in a particular field. You must submit a written justification for sole supplier engagement to your authorised officer for approval.

When offers are requested, consultants or contractors will often contact agencies to clarify issues. It is critical to provide consistent responses in writing, so that different information is not provided to different suppliers, which may give one supplier an unfair advantage in the process.

All potential suppliers should be given copies of any information provided.

Consultants or contractors should be given adequate time to prepare an offer. A minimum of two weeks (depending on the complexity of the job) is recommended.

Consultants or contractors should be aware that their offers could be the subject of Right to Information applications. If there is sensitive material contained in the offer, they should mark their offers with Commercial in Confidence. When opening offers, ensure that there are at least two officers present, and that one officer is independent of the evaluation process.

Agencies should consider conducting their procurement activities via the Queensland Procurement Solution.

The General Goods and Services (GGS) team, within Queensland Government Procurement, establish and manage panels/arrangements of quality consultants and contractors. These panels have been established to help agencies easily find and engage suppliers that meet their needs and deliver on the requirements of the Queensland Procurement Policy. Information about existing panels is available on [QGAD](#) along with panel relevant documents to assist agencies in optimising the use of the panel such as buyers' guide, applicable terms and conditions and a supplier selection tool. If you have any questions about these arrangements, contact GGS.OED@hpw.qld.gov.au.

Step 5: Evaluation and selection

A sound evaluation and selection process will secure the most appropriate skills and expertise for a project, at the best value, and in line with the principles of the QPP.

For high value projects, or those that are complex, it is best practice to have a panel of officers, with relevant knowledge, to evaluate the offers. Where possible, include an officer who has experience in the procurement process.

Value for money is always critical to selecting a supplier. This does not mean accepting the lowest priced offer. Ensure the project is delivered to the standards required by the agency and consider what economic, social and environmental value might be garnered from the engagement.

Offers should be assessed against pre-determined evaluation criteria. The evaluation criteria should have been clearly stated in the invitation to offer documents.

The evaluation criteria should reflect whether the consultant or contractor can deliver the project outcomes. Considerations include:

- conformance to the specification
- proposed method (how the project is to be tackled)
- proposed approach to knowledge, skills and capability transfer to agency staff
- capacity to complete the project on time (and previous record at meeting deadlines)
- price and other value considerations
- capabilities and experience of the consultant or contractor
- disclosure and management of conflicts of interest.

The evaluation process must be documented and capable of withstanding scrutiny. Records must clearly demonstrate how the successful supplier was selected. Keep in mind that procurement documentation is open to audit scrutiny and right-to-information requests.

The project manager should complete a report which must clearly articulate how and why the recommended consultant or contractor was selected. An officer with the appropriate financial delegation must approve the recommendation.

All projects, regardless of the value, require a written contract between the parties, it must be signed and dated. For low value and low risk engagements this may be in the form of a simple letter of acceptance or a purchase order. The contract or letter should clearly define the requirements and obligations of both parties.

All documentation must be kept for audit and other purposes in accordance with the *Financial and Performance Management Standard 2019* and the *Public Records Act 2023*.

It is essential to ensure that all financial data related to the engagement of consultants and contractors is accurately recorded in the finance systems and contract disclosure requirements are met. This includes selecting the appropriate General Ledger (GL) account code that reflects the nature of the engagement. Accurate and transparent financial records are critical for maintaining accountability, enabling informed decision-making, and meeting legislative and regulatory requirements. Failure to appropriately classify and record expenditure may result in reporting inaccuracies, reduced financial oversight, and potential non-compliance with government policies.

Hint – Seeking advice

Seek advice from others with experience in the type of consultancy or contractor you require, within your agency and from other agencies. Check out the consultant or contractor's reputation; ask for relevant and current referees, look closely at experience, ask for examples of relevant previous work they have completed.

Consultants or contractors are often members of institutes / societies. While membership of a professional organisation may not be mandatory, it could be a desirable criterion for particular professions or for certain projects.

A small to medium enterprise may request up to 30% payment in advance. Please contact your Procurement Legal advice should be sought on this issue. If you have any questions regarding this, please contact your agency's procurement or legal services.

Step 6: Managing the engagement

Using consultants or contractors does not mean the agency relinquishes its responsibility for the successful completion of work.

Consultants and contractors must be monitored to ensure that satisfactory outcomes are being achieved on time and within budget.

Effective management of consultants and contractors includes:

- appointing a project manager (or in the case of high value / complex project, a steering committee) with a clearly defined responsibility for the management of the consultant or contractor
- clearly defining performance standards expected of consultants or contractors
- specifying the requirements for reports and meetings with the consultant or contractor
- developing procedures for dealing with:
 - a consultant's or contractor's unsatisfactory performance
 - variations in cost and time
 - assessing the work and performance of the consultant or contractor at regular intervals, including ensuring they are delivering on obligations regarding knowledge, skills and capability transfer
- maintaining adequate records.

Effective and regular communication between the project manager and consultants or contractors is critical to ensuring the project is on track and that the agency is getting what has been agreed.

To protect agency interests, the consultant or contractor should not be appointed as a manager of a project. This is the role of an internal officer chosen as the project manager or another suitably qualified officer.

For high value / complex projects, a steering committee may be required to provide oversight and direction to the engagement. Project management meetings are part of the role of the steering committee. Keep documentation of all communications on file in accordance with the agency's record management process.

Agencies are strongly encouraged to utilise the Queensland Procurement Solution to manage their contracts.

Hint – Variations to a contract

Variations are changes to what was originally in the contract. The most common variation is that the consultant or contractor needs more time to complete the work. Before signing the contract, a strategy should be developed to deal with any variations. Variations must be agreed by both parties in writing before they occur. Consider seeking legal/procurement advice before accepting any request to vary a contract.

Step 7: Evaluate performance and outcomes

Performance criteria should be documented in the specification so that the project manager knows how to measure performance, and the consultant or contractor understands the expectations. Any adverse performance assessment should be drawn to the consultants or contractors' attention, and their responses should be included in performance assessment documentation.

At the end of the engagement, a performance report should be developed to support continuous improvement and learning. Performance reports should be kept on a central register within the agency. These assessments can then be used when considering the consultant or contractor for future work and can be shared with other agencies to assist in their project decisions.

Each agency is responsible for maintaining a register reporting on the use of consultants and contractors.

Contract terms and conditions should require confidential information be collected or destroyed at the end of an engagement.

The project manager must complete a written report that assesses outcomes and performance of the consultant or contractor, and the assessment should be completed before final payment is made. Assessments should compare project outcomes to the objectives set out in the specification. Performance is assessed as satisfactory only when the outcomes that are detailed in the specification are achieved.

Hint – Payment

Payments to a consultant or contractor should be staged and linked to milestones that are evaluated by the project manager. The milestones should represent quantifiable achievements (e.g., a draft report or a final report).

Retain the bulk of the total fee for when the job has been completed and assessed as satisfactory by the project manager. Avoid paying an hourly rate without a performance timeframe - set the price, wherever possible. For example, a maximum of 200 hours at \$50 per hour.

Don't pay simply because an invoice is received. Payment is dependent on the project manager being satisfied that the work has been done to the standard specified in the contract and a correctly rendered tax invoice is provided.

Roles and responsibilities

a) Authorised (or delegated) officer

- *Responsible for approving the engagement before the project starts.*
The authorised officer must be satisfied that the project is discrete and does not bind the agency to further commitments to the selected consultant or contractor for additional work outside that is being considered.
- *Responsible for approving expenditure*
The authorised officer must ensure that the project work has not been artificially "split" to enable the total project to be kept below specific agency expenditure approval levels.
- *Signs the contract.*

Hint – Seek expert advice

It is strongly recommended that an agency involves (or obtains advice from) their legal/human resources or procurement officers who are experienced in procuring the services of consultants or contractors, particularly if they are considered high risk projects. It is essential that this is done as early as possible in the process to avoid any potential delays or missed opportunities.

b) Project manager (hiring manager)

An officer responsible for managing a consultant or contractor's engagement in the agency must be formally appointed by the authorised (or delegated) officer.

The Project Manager:

- needs to possess sufficient knowledge about the project / role to appropriately determine if the work is being performed or delivered satisfactorily.
- needs to be aware of their role and responsibilities in the process of engaging and managing the consultant or contractor.
- is responsible for the management and review of the consultant or contractor, including:
 - monitoring performance to ensure that the requirements of the contract are met
 - supervising the project
 - liaising with the consultant or contractor about the project / work
 - dealing with unsatisfactory performance
 - identifying and managing conflicts of interest and confidentiality risks, throughout the engagement.

Hint – Manage risks

Assess risks at the beginning of the project to determine how to manage them. Risks may be managed, for example, through the specification or terms and conditions of the contract and should be revisited periodically throughout the term of the engagement.

When personal information is collected and/or online systems are used, special consideration must be given to compliance with the *Information Privacy Act 2009 (Qld)*, or the Australian Privacy Principles, and managing cyber security risks (refer to [Managing cyber security in procurement guideline](#)).

5. Engaging and managing labour-hire workers

Step 1: Identify and demonstrate the need for a labour-hire worker

Clear justification for engaging a labour-hire worker, must be approved by the appropriate agency delegate before any engagement begins.

An authorised (or delegated) officer needs to select a competent manager, familiar with the scope of work, tasks and desired outcomes to oversee the day-to-day functions and progress of the labour hire worker.

It is important to determine if your agency regards the engagement as a significant procurement.

It is also important to check whether your agency has any specific policies or procedures relevant to the engagement of labour-hire workers – these may require different processes to be followed and / or different levels of approvals to be obtained.

Step 2: Specifications

When recruiting workers via recruitment companies it is important to provide a clear role description.

Details should include context about the workplace, key responsibilities, mandatory skills or expertise, additional requirements for resumes, referees, qualifications, certifications etc. are also required to help to identify quality labour hire workers for the role.

Step 3: Sourcing a supplier

Under the *Labour Hire Licensing Act 2017* (Qld) suppliers must hold and maintain a labour hire licence. Any recruitment companies that are exempt under the Act are required to provide a declaration to address the grounds for exemption.

The QPP (Rule #2) prioritises the use of common-use supply arrangements.

The use of GGS0060 - Temporary and Contracted Workers Preferred Supplier Panel is the easiest way for agencies (and other eligible customers) to engage licensed, capable and competitive recruitment companies. [QGAD](#) includes a set of documents to assist agencies in optimising the use of the panel such as buyers' guide, applicable terms and conditions and a supplier selection tool. The supplier selection tool allows customers to search the panel for suppliers that suit their needs best. The panel includes a diverse set of suppliers from across Queensland, delivering services in the following employment categories:

- Administration
- Community
- ICT
- Infrastructure, Construction & Maintenance
- Scientific & Technical
- Recruitment as a Service (RaaS).

When selecting a recruitment company, consider their capability, experience, pricing, including pay rate for the labour-hire worker, recruitment company markup (margin) and on costs (e.g. superannuation, payroll tax, workers' compensation, insurances) as well as the recruitment company's ability to deliver on public procurement outcomes.

There are also generic procurement guides and templates available on [Procurement Guide on Forgov](#) to help plan and implement a sourcing process and manage a contract.

Step 4: Evaluation and selection

Once the recruitment company(s) for quoting are determined (refer to the above Step 3), it is recommended that the agency asks these suppliers to provide 2-4 candidates each to ensure the agency has options to compare and select the best labour-hire worker for their requirements.

Shortlisting of the candidates and labour-hire worker selection is similar to standard recruitment practices. Candidates are considered and compared based on their skills and experience, as demonstrated in resumes, statements of claim, interviews, referee checks etc.

In case of bulk labour-hire workers engagement under the Recruitment as a Services (RaaS) of GGS0060, agencies may elect not to undertake their own candidate selection and screening processes, but to solely rely on the recruitment company's candidate selection and screening in order for the engagement to commence immediately.

Appropriate documentation to support the final decision in relation to the labour-hire worker (and recruitment company through which the labour-hire worker will be engaged) must be kept, including role description, selection criteria, candidates' qualifications, diplomas, certificates, referee reports, evaluation/recommendation report etc by the agency.

Step 5: Managing the engagement

Performance management of a labour-hire worker is a joint responsibility of the recruitment company and the agency.

A competent manager, familiar with the scope of work, tasks and desired outcomes should be appointed to oversee the day-to-day functions and progress of the labour-hire worker from the agency's side, while the recruitment company's dedicated account manager must liaise with the agency throughout the engagement term in relation to the labour hire worker's performance.

It is important to provide regular support, feedback and direction to the labour-hire worker to ensure they have every chance to succeed.

It should be noted that labour-hire workers are employees of the recruitment company (not the government agency), therefore all labour-hire worker's management matters should be discussed with the recruitment company in the first instance.

If needed, the recruitment company must advise and provide support to the labour-hire worker and agency to address any performance issues, in line with the agreed terms and conditions.

Step 6: Evaluate performance and outcomes

Towards the end of the engagement the labour-hire worker's performance and the outcomes of their work should be evaluated and documented. The results help to inform future engagements and to provide meaningful feedback to the recruitment company and the labour-hire worker, which may be applied for their next engagement.

6. Questions and answers

Question	Answer
<p>If internal agency officers are capable and qualified to do the required job, but not available due to other work commitments, should external consultants, contractors or labour hire workers be engaged?</p>	<p>Reassess the work priorities of internal agency officers. Can their existing work be deferred, or can the project be deferred?</p> <p>Consider whether another employee may be engaged to perform the existing work of the agency officer.</p> <p>If not, it is suggested that a labour hire worker be engaged.</p>

Question	Answer
Does an agency need to complete the online Consultants and Contractors form to seek approval to engage a consultant or contractor?	<p>Yes.</p> <p>Prior to commencing a sourcing process, agencies must first complete the Consultant and Contractor online form.</p> <p>The Consultant and Contractors online form is available on QGAD.</p>
During the offer period can I give out additional information or clarify any issues to prospective suppliers, if they request it?	<p>Yes, but if you provide additional information to one potential supplier, you must advise all other potential suppliers of the same information in writing, unless the information is only specific to that particular supplier.</p>
When is it necessary for the consultant or contractor to have professional indemnity insurance?	<p>You will need to assess the risks involved in the project.</p> <p>This insurance is designed to protect the agency from claims of negligence or breach of duty arising from the advice or services that the consultant or contractor has provided.</p> <p>If it is determined that the agency may be exposed to risks of a professional nature via the engagement of a consultant or contractor, then it is strongly recommended that an agency ensures that the consultant or contractor has and will maintain the appropriate professional indemnity insurance.</p>
How is the amount of professional indemnity insurance determined?	<p>The nature of the consultancy or contractor services determines the degree of risk to which the agency is exposed. A risk assessment should determine the estimated value of loss which may be incurred and the most probable time for the loss to become apparent.</p> <p>Although a consultant or contractor may complete the project, risks may be identified or materialise after the project has been completed. If this is the case, then you must ensure the consultant or contractor takes out professional indemnity insurance to fully cover the risk period (e.g. beyond the end of the Contract).</p>
When is it necessary for the consultant, contractor or recruitment company to have public liability insurance?	<p>When the consultant or contractor is to perform work or there is any likelihood that they may perform work on Queensland Government premises or if Queensland Government officers are working on the consultant's or contractor's premises or when there is a risk of innocent persons receiving injury.</p> <p>As labour-hire workers will be performing work on Queensland Government premises, public liability insurance will be a requirement of the recruitment company (supplier).</p>
How is the amount of public liability insurance determined?	<p>A risk assessment will determine the estimated value of loss. You will also need to check your agency requirements, as some agencies insist on a minimum amount of insurance.</p>
What should I do if the consultant, contractor or labour hire workers seems to be on the wrong track?	<p>Check to see if your specification / role description and direction is clear and that the consultant, contractor or labour-hire worker understand it. You can negotiate with or counsel the supplier to ensure that they have a full understanding of the requirements.</p>

Question	Answer
	<p>Where the supplier is repeatedly unwilling or unable to deliver according to the specification, it may be necessary to terminate the arrangement.</p> <p>Please note that in a case of a labour-hire worker engagement, all worker performance issues and remedial measures must be discussed with the recruitment company (supplier) in the first instance as they are the official employer of the worker.</p>
<p>What should I do if the consultant or contractor keeps asking for time extensions?</p>	<p>Check the contract to determine if the milestones are fair and reasonable and that the consultant or contractor is on track with the project. Ask them to document the reasons for the time extensions. Consider any cost implications and any associated problems that may be caused by the project's outcomes being delayed. If the extensions are warranted, document the new timelines and milestones and vary the contract.</p>
<p>What should I do if I think the consultant, contractor or labour-hire worker is not performing?</p>	<p>Talk to the consultant or contractor and find out why. If the response is not satisfactory provide advice in writing and give them a specific period (e.g. two weeks) to justify why the contract should not be terminated.</p> <p>Performance management of a labour-hire worker is a joint responsibility of the recruitment company (supplier) and government agency. Labour-hire worker performance must be monitored and documented. All worker performance issues and remedial measures must be discussed with the labour hire provider in the first instance as they are the official employer of the worker.</p>
<p>What action needs to be taken if the bill for the work is more than the fee specified in the contract?</p>	<p>Point out to the supplier the agreed fees in the original contract. The supplier should not be performing additional work without prior written approval from the project manager. Seek a full explanation from the supplier. If there is no valid reason provided, then only the fee specified in the contract should be paid. If there is a valid reason for the additional fee, seek approval from the authorised delegate.</p>
<p>How do I make sure objectives regarding the transfer of knowledge skills and capability are achieved?</p>	<p>Ask supplier about how they will transfer knowledge, skills and capability as part of the tender or quoting requests and evaluate it and make sure that it is a requirement in the engagement contract.</p>
<p>Who do I contact if I have a question about the new process that's required prior to commencing a sourcing activity for a consultant or contractor?</p>	<p>Questions regarding this process should be directed in the first instance to your agency's procurement area or otherwise the Directors General Oversight Committee Secretariat at dgoc@treasury.qld.gov.au.</p>