Definitions for consultants and contractors
Supplementary procurement guidance to the
Better purchasing guide: engaging and managing consultants

Purpose
The QGCPO prepared this supplementary guidance material to help procurement officers determine whether to engage and manage a service provider as a contractor or a consultant for Queensland Government reporting purposes.

The following definitions for contractors and consultants should be read into, and takes precedence over, the material in the Better purchasing guide: engaging and managing consultants.

Context – contractors and consultants
Queensland Government agencies regularly hire contractors when skills are not available within the public sector at the time.

Contractors differ from employees because they are engaged under a different set of legal arrangements, for example: taxation, superannuation and workers' compensation.

Consultants are a type of contractor that the Queensland Government defines separately for reporting purposes, and these definitions may not align with what industry and consultants/contractors call themselves. Many contractors may call themselves consultants but, for Queensland Government reporting purposes, they are most often defined as contractors.

For more information about the reporting of consultants please refer to the Annual report requirements for Queensland Government agencies guide at www.premiers.qld.gov.au or your agency's policy area. From a procurement perspective, any provider of a service needs to be sourced, selected, monitored and managed according to best practice which is outlined in this guide.

Queensland Government definition of a consultant
For Queensland Government reporting purposes, a service provider can be categorised as a consultant (which may be an individual or an organisation) if all of the following 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, which the agency must then decide upon or take a certain course of action
- the nature of the output is not necessarily predictable, but tends to be open ended and is more complex (for example, 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 of time at an agreed payment rate
• work is not directly supervised by the agency.
Examples of consultant’s tasks include:
• reorganisation of an agency or business unit
• providing advice in the development of policy and strategic planning issues.

**Hint – the difference between a consultant and an operational contractor**

Sometimes the distinction between a consultant and a professional contractor can be difficult to make and there may be ‘grey areas’ requiring the exercise of judgment on a case-by-case basis.

**Key characteristics of a contractor**

Most providers of services are categorised as contractors for Queensland Government reporting purposes. There are generally two types of contractors:

• **contractors for non-professional services**, which include trade service providers (plumbers, carpenters, electricians and painters), cleaning services and temporary staff who are engaged to provide office services (including data entry, administration etc.)

• **contractors for professional services**. This second type of contractor is generally where confusion may occur when categorising consultants and contractors. A contractor implements an existing process to deliver a known product/outcome.

For example, in the case of a service provider engaged to perform a job evaluation within an agency, this is categorised as a contractor and not a consultant. The output is in the form of a clearly defined product. The service provider takes data and, using expert knowledge and an evaluation framework, evaluates the job and provides a written report that specifies the job classification. There are no recommendations to be considered, simply the service provider's conclusion. The agency can accept or reject the conclusion. The output is a classification level where there is a rationale for this conclusion. The conclusion is drawn within tight parameters, against a pre-determined job evaluation framework that is already accepted by the agency.

Examples of **contractors for professional services** 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 design and production undertaken by architects and engineers
- feasibility studies
- valuation services on land, buildings and other departmental assets or potential assets
– legal advice
– building and construction contractors (capital works)
– road and bridge design
– road and bridge construction (capital works)
– design, conceptual design services provided by creative design houses, public relations companies etc.
– general financial, legal and taxation services that provide ongoing advice on day-to-day issues
– financial audit, workplace health and safety audits and most probity advisor/audit activities.

Hint – when a 'consultant' is not a consultant
Just because service providers may refer to themselves as 'consultant' or it is printed on their business stationery, it does not mean they will be defined as such for Queensland Government reporting purposes.

Building consultants and operational contractors and the Capital Works Management Framework

The Capital Works Management Framework (CWMF) provides a whole-of-government approach to the planning and procurement of building work. When engaging and managing building contractors, the CWMF and supporting guidelines should be used. More information is available at www.works.qld.gov.au, under Building Policy Unit.

Consultants and contractors engaged to undertake community engagement activities

If a consultant or contractor is engaged to provide community engagement activities on behalf of an agency, it is the agency that is ultimately responsible for developing and maintaining relationships with stakeholders and citizens throughout the activity.

The onus is also on the agency to ensure the information provided in the engagement process is accurate and relevant, and the feedback processes are timely and effective.