

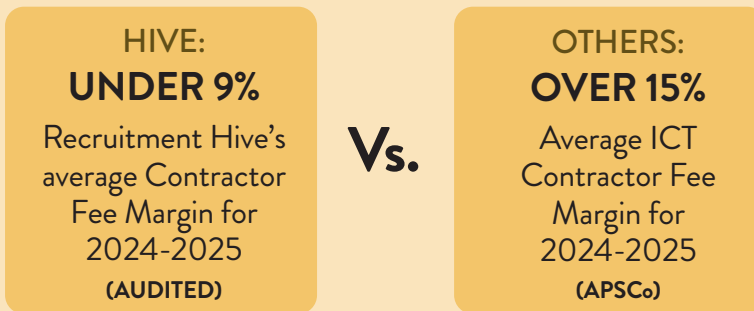
Federal Government Panel ICT Contracting Fees for DMP2, PPP2, PPP3, ICTPA & DSTSO

About Recruitment Hive's Fair and Transparent ICT Contracting Fees Margin

Our fair and transparent fee structure gives you peace of mind. We've been openly showing our fees since 2016. The following facts are provided to assist calibrate what a fair and reasonable Fee Margin might be:

- **Under 3%** - Recruitment Hive after tax profit for 24/25 FY, as a portion of our revenue
- **Over 6%** - The portion of our revenue remitted, as payroll tax, to State Government Revenue Offices
- **Over 40%** - The portion of our revenue remitted to the Federal Government in GST, employee PAYG and Company PAYG tax
- **Under 9%** - Recruitment Hive's average Contractor Fee Margin for the 24/25 FY (audited)
- **Over 15%** - Industry average Contracting Fee Margin for the 24/25 FY – as defined by Staffing Industry Metrics, an associate member of the ICT Contracting industry body, APSCo (Association of Professional Staffing companies)

OUR CONTRACTING FEES



**Note: Fee Margin does not include state payroll tax or On-Costs. These are charged to the Client in addition to our Fee Margin*

- **Over 6%** - Savings achieved by Federal Government, on average, when engaging an ICT Contractor through Recruitment Hive when compared to their average cost of an ICT Contractor; according to figures released by Dept. of Finance within their 2023-24 Audit of Employment report

Clarification of our fee structure incorporated in the Digital Market Panel 2 (DMP2)

This panel uses a different framework to calculate various components of ICT Contractor and ICT Recruitment Company operations. In the spirit of open and honest transparency, we feel it is important to clearly show where Recruitment Hive sits within this framework. Here's the basic setup:

DMP2 – ICT Labour-Hire

Type of Service	Management Rate
Seller-Sourced Labour-Hire Worker (Hourly Management Rate maximum percentage of Hourly Salary)	15%
Buyer-Sourced Labour-Hire Worker (Hourly Management Rate maximum percentage of Hourly Salary)	10%

It is important to note that the DMP2 'Management Rate' does not represent Hive's 'Fee'

Here is a simple explanation of the various components and how they are allocated on the Digital Market Panel 2 (DMP2):

Recruitment Hive's Fee Margin		≠	DPM2's 'Management Rate'	
Service	Maximum Fee Margin	=	Service	Maximum Management Rate
We find you a Contract (Standard)	10.3% Calculated from including superannuation pay rate. Excluding On-Costs.	=	Seller-Sourced Labour-Hire Worker	15% Calculated from excluding superannuation pay rate and including On-Costs.
You bring the Contract to us (Self-Find)	5.7% Calculated from including superannuation pay rate. Excluding On-Costs.	=	Buyer-Sourced Labour-Hire Worker	10% Calculated from excluding superannuation pay rate and including On-Costs.

The DTA's method of calculating the DMP2's *Management Rate*, from a Contractor's excluding superannuation pay rate, differs from the Australian Accounting Standards Board's standard AASB 101, item 103. The DMP2's *Management Rate* includes the following components that our industry traditionally categorises as On-Costs. These are not included when calculating Recruitment Hive's contractor Fees:

1. Workers Compensation insurance
2. Public Liability and Professional Indemnity insurance &
3. Statutory costs, such as security clearances and long service leave.

People Panel Phase 2 (PPP2) Rate Card for all Service Categories (ex GST)

APS equivalent classification	Standard Fee Margin	Self-Find Fee Margin
Level 1	\$ 9.52	\$ 6.34
Level 2	\$ 9.52	\$ 6.34
Level 3	\$ 9.52	\$ 6.34
Level 4	\$10.57	\$ 7.40
Level 5	\$10.57	\$ 7.40
Level 6	\$10.57	\$ 7.40
Executive Level 1	\$11.62	\$ 8.45
Executive Level 2	\$12.68	\$ 9.52
SES	\$21.14	\$13.74

**Note: Fee Margin does not include state payroll tax or On-Costs. These are charged to the Client in addition to our Fee Margin*

People Panel Phase 3 (PPP3) Recruitment Hive's Fee Margin

Type of Service	Maximum Fee Margin
We find you a Contract (Standard)	12 %
You bring the Contract to us (Self-Find)	5.7%

**Note: Fee Margin does not include state payroll tax or On-Costs. These are charged to the Client in addition to our Fee Margin*

Defence Science Technology Standing Offer (DSTSO) Recruitment Hive's Fee Margin

Type of Service	Maximum Fee Margin
We find you a Contract (Standard)	12 %
You bring the Contract to us (Self-Find)	5.7%

**Note: Fee Margin does not include state payroll tax or On-Costs. These are charged to the Client in addition to our Fee Margin*

Information Communications Provider Arrangement (ICTPA) Recruitment Hive's Fee Margin

Type of Service	Maximum Fee Margin
We find you a Contract (Standard)	12 %
You bring the Contract to us (Self-Find)	5.7%

**Note: Fee Margin does not include state payroll tax or On-Costs. These are charged to the Client in addition to our Fee Margin*

First, a note on Long Service Leave

In ensuring the integrity of the Federal Government’s supply chain through our compliance with the FairWork Act 2009 and established relevant Case Law, Recruitment Hive leads the way in establishing industry best practice by correctly classifying our Federal Government ICT Contractors as our employees, utilising a casual loading to pay higher rates in the trade-off for paid holiday and sick leave. State legislated long service leave is not permitted to be included within the trade-off between leave and higher pay rates that a casual loading allows for.

A significant number of Federal Government Contractors work in the same Client role and/or Labour-Hire company for the legislated period to become eligible for fully paid long service leave. Due to this, a Labour-Hire company focused on disclosing their moderate fees must include an associated On-cost applied to Client charge rates.

Hive recognises that a significant portion of our Contractors will not reach the legislated time-period to become eligible for long service leave. To ensure unused LSL On-costs do not contribute to our profit, Contractor long service leave is accrued as line item on our (audited) Balance Sheet. Any unpaid long service leave accrued by a recently departed Contractors will contribute to Recruitment Hive’s commitment to donate \$50,000 to local Canberra charities each June.

People Panel Phase 2 (PPP2) Detailed Client charge rate breakdown

The Client charge rate break-down in the table below must be included within all candidate submissions under PPP2.

The following example is based on a Contractor (Labour-Hire worker) working in Canberra being paid \$110.00 per hour (including super) having won a role released at the equivalent APS6 level.

Hourly amount paid to Labour-Hire Worker (before tax, excluding compulsory superannuation contribution)	\$ 78.57
Casual Loading (if applicable)	\$ 19.64
Agreed Base Salary - subtotal	\$98.21
Workers compensation insurance	\$ 1.10
Payroll tax (in the ACT for this example)	\$ 8.64
Other statutory charges	\$ 2.70
Compulsory superannuation contribution	\$ 11.79
Employment Oncosts - subtotal	\$24.22
Agreed Hourly Rate (Agreed Base Salary plus Employment Oncosts) - subtotal	\$122.44
Gross Profit Margin (Hive’s Fee)	\$10.57 Or 9.61%
(Fixed price fee, exclusive of GST, based on Referred (Self Find) or Non-Referred Gross Profit Margin as applicable for the relevant Labour-Hire Worker) This must be expressed in this row as a GST exclusive amount.	
Contract Price (hourly amount, exclusive GST)	\$133.01
GST	\$ 13.30
Contract Price (hourly amount, inclusive of GST)	\$146.31

Digital Marketplace 2 (DMP2) Detailed Client charge rate breakdown

The following comparison table clearly demonstrates the impact the DMP2 defined 'Management Rate' and submission rate-breakdown methodology has on the perception of Recruitment Hive's contracting Fee Margin when considered alongside our industries long-established norm:

Contractor Rate Breakdown Component	Recruitment Hive's Treatment	Treated as: Worker Benefit, Tax, On-Cost, or Hive Fee Margin	DTA, DMP2 Treatment	Treated as: Worker Benefit, Tax, On-Cost, or DMP2 'Management Rate'
Contractor inc super pay rate	\$160.00	Worker Benefit	\$160.00	Worker Benefit
Superannuation amount	\$17.14	Worker Benefit	\$17.14	On-cost
Contractor ex super pay rate	\$142.86	Worker Benefit	\$142.86	Worker benefit
State (ACT) payroll tax	\$12.56	Tax	\$12.56	Tax
WC insurance on-cost	\$1.60	On-Cost	Not permitted	Management rate
PI/PL insurance on-cost	\$0.50	On-Cost	Not permitted	Management rate
Statutory Long Service Leave on-cost	\$3.20	On-Cost	Not permitted	Management rate
Hive fee margin/ DTA's DMP2 Management Rate	\$16.13 (10.08%) *calculated from Contractor inc super pay rate & excludes on-costs	Hive Fee	\$21.43 (15%) *calculated from Contractor ex-super pay rate and includes on-costs	Management rate
Client charge rate	\$193.99 (EX-GST)		\$193.99 (EX-GST)	

A reminder of 9 big Recruitment Hive exclusive benefits:

1 Accrued long service leave

4 Mortgage discounts

7 Canberrability since 2012

2 Pre-tax salary sacrifice options

5 LAFA allowance portal

8 Novated vehicle leasing portal

3 Clearance expertise

6 Weekly/monthly pay options

9 Full fee transparency