



6 February 2016

Labour Hire Regulation
Executive Director Industrial Relations
Office of Industrial Relations
GPO Box 69
BRISBANE Qld 4001

Dear Sir/Madam

Re: Response to Issues Paper – Regulation of the labour Hire Industry

The Local Government Association of Queensland (LGAQ) is the peak body for local government in Queensland. It is a not-for-profit association set up solely to serve councils and their individual needs. LGAQ has been advising, supporting and representing local councils since 1896, allowing them to improve their operations and strengthen relationships with their communities.

In April 2016, the LGAQ made a submission to the Finance and Administration Committee during its *Inquiry into the practices of the labour hire industry in Queensland*. In its submission, the Association reported the concerns of member councils on the mistreatment of workers in the agricultural industry. In particular, it pointed to reported mistreatment of casual labour provided by working holiday visa holders which are essential to satisfy the seasonal, casual and ad hoc needs of regional producers.

The Association notes that these concerns have been verified in other Inquiries and Reports and identified as serious issues in this paper.

In response to the specific questions posed by the issues paper and relevant to local government, the following comments are provided.

What do you think are the important features of a system to effectively regulate the labour hire industry?

A proper licensing regime as outlined in the paper operating in Singapore and the United Kingdom has merit.

What should be needed to obtain a license?

Our experiences would support the following as preconditions for obtaining a license -

- Evidence of sufficient capital to meet business and employee obligations prior to the granting of a license;
- License rejection if the principal of a company had any history of poor company management or breaches of Fair Work Legislation. There is a litany of stories of companies found to be “bad employers” or poor service providers being wound up and a new company formed with the same ownership and management.



What level of fee should be applied?

The fees should not be so onerous as to discourage companies from applying or forming such a significant overhead that the resultant cost of their services make them commercially non-viable. The imposition of a bond or security deposit is not supported.

What type of annual reports should companies have to provide?

Companies have significant reporting obligations already. Care should be taken not to impose additional “red-tape” obligations on companies.

What type of training for labour hire workers?

The LGAQ supports the issue of a Fair Work Information Sheet (FWIS) specifically designed for labour hire workers. Further, the FWIS should be customised to differentiate between overseas holiday workers and Australian workers.

Due to the mobile nature of this work, workers including overseas workers are generally very digitally literate. Providing information electronically would be more effective than hard copy documents. A phone App which covers the material in the FWIS as well as providing an easy, accessible and automatic complaint lodgement capability would enhance training as well as serve as a deterrent against exploitation.

When could a labour hire worker be able to pursue a host employer for their entitlements?

As a general rule, never. The employment relationship should be between the labour hire firm and employee. Owners of the labour hire firm should be prosecuted for any breaches of the employment relationship and, in the case exemplified, the host employer prosecuted for breaching laws relating to not using licensed labour hire firms.

Features of a compliance unit?

A regular comment to councils has been a high level of “buck-passing” by agencies charged with certain regulatory responsibilities. Complainants question the value of pursuing complaints if they are constantly referred to other agencies. Moreover, many complainants are simply unsure about where to go if they have a concern.

A one-stop shop would overcome this issue. Having an App as referred to earlier where a complaint is automatically channelled to the correct recipient would also assist greatly.

The compliance unit must also be proactive and not merely react to complaints. Regular inspections, snap-visits and interviews with host employers and labour hire workers should also be a feature of its operations. As well as having the responsibility for ensuring labour hire companies meet their lawful obligations as employers and suppliers of labour, the compliance unit should also be structured to assist these firms if their business is being inappropriately threatened by other parties e.g. unreasonable actions by unions, or by host employers.



Should you require any clarification on any of the matters raised in this correspondence, please contact Mr Tony Goode, Workforce Strategy Executive on (07) 3000 2230.

Yours sincerely



Sarah Buckler
GENERAL MANAGER - ADVOCACY