



07 April 2016

Research Director
Finance and Administration Committee
Parliament House
George Street
Brisbane QLD 4000

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To Whom It May Concern,

LGAQ Submission to the Inquiry into the practices of the Labour Hire Industry in Queensland

Thank you for the opportunity to provide a submission on this matter. In preparing its submission, the LGAQ called upon the experiences of Councils across Queensland with various labour hire companies as well as input from Queensland local governments who participated in a discussion on the issue of labour hire companies in the Agricultural Industry at the 2015 LGAQ Annual Conference.

Should you have any questions regarding the Association's submission, please don't hesitate to contact our Workforce Strategy Executive, Mr Tony Goode at tony_goode@lgaq.asn.au or on (07) 3000 2230.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Greg Hoffman', is written over a light blue horizontal line.

Greg Hoffman PSM
GENERAL MANAGER – ADVOCACY



Inquiry into the practices of the Labour Hire Industry in Queensland

SUBMISSION TO THE FINANCE AND ADMINISTRATION COMMITTEE

Local Government Association of Queensland Ltd

07 April 2016

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. LGAQ does this by connecting councils to people and places that count; supporting their drive to innovate and improve service delivery through smart services and sustainable solutions; and delivering them the means to achieve community, professional and political excellence.

Executive Summary

Local government recognises the important contribution that labour hire companies make to the Queensland economy through the provision of capable and talented workers when required by various organisations including local government. Local government acknowledges that in their experience the vast majority of labour companies operate ethically and industrially responsible and treat their employees with the necessary level of dignity and respect expected of Queensland industry.

However, local government has recently identified a worrying trend in the actions of some labour hire companies within the Agricultural/horticultural industry and has strongly urged both the state and federal governments to intervene to better regulate and monitor the actions of such companies in order to protect the horticultural industry, particularly in the regional and rural areas.

Local government as a user of labour hire

Local councils across Queensland regularly utilise the services of workers supplied by labour hire companies. While there are no accurate records on the extent of this use, it is reasonable to propose that the overall expenditure by local governments on the engagement of labour hire companies across Queensland would be in the millions of dollars in any one year.

Invariably, councils utilise labour hire companies to provide temporary relief during the absence of permanent staff or, on occasion, to provide urgent additional staff during a time of peak production such as specific projects.

Councils generally manage these workers on site and provide them with the same safe working environment and conditions as that of their permanent workforce. While wages may vary on occasion between labour hire company staff and council staff, a key feature of their engagement is that all staff are remunerated and engaged in accordance with appropriate award and regulatory requirements.

Further, councils generally utilise the services of labour hire companies which have been engaged on a “preferred supplier” basis through appropriate tendering arrangements where the company has been able to satisfy stringent requirements in relation to their ethical and lawful engagement and treatment of staff.

In this regard, these companies provide a valued service to the Queensland business sector and opportunities for flexible and successful work placements for many Queensland workers. Accordingly, local government values the existence of a flourishing, efficient and effective labour hire industry and would support a regulatory environment which encourages and supports this industry and the workers engaged within it. As with most regulatory environments, the appropriate balance of ensuring fairness for workers and economic opportunity for employers is sought.

Agriculture

At the 2015 Annual Local Government Association of Queensland Conference, councils passed a resolution calling for the State and Federal Governments to consider further legislation to provide protection for workers engaged by labour hire companies within the agricultural industry.

In many rural and regional council areas where agriculture is a major industry, labour requirements are accommodated through the engagement of casual labour provided by working holiday visa holders satisfying the seasonal, casual and ad hoc needs of producers.

Some producers manage their own recruitment and supervision of their labour force; however in the last decade labour hire contractors have become more prevalent. Accommodation provision is often attached to the work situation and controlled by the contractor. Houses in some cases are overcrowded and do not comply with council's local laws. There have also been anecdotal reports of passports being confiscated and some workers subjected to intimidation.

Most of these matters are legislated; however there are questions being asked around the reported significant non-compliance across local, state and federal legislation, when:

- Contractors are not required to be licensed or trained;
- Records are not kept correctly; and
- When penalties are imposed and compliance is not ensuing.

There are a number of issues that need to be addressed between the contractor and worker including:

- Accommodation;
- Visa sign-off;
- Hours of work and conditions;
- Getting work;
- Fair work;
- Taxation and superannuation; and
- Transport.

There are also a number of issues that exist between the contractor and the grower such as illegal labour and insufficient measures to enforce compliance of contractors with requirements.

These matters have been recently reported in the media highlighting that there is a lack of regulation in the market for operators and other contractors. The key issues remain around accommodation and engagement of these workers. Councils seek alignment with State and Federal Government requirements and to ensure the best outcomes for local communities and the workers themselves.

Councils acknowledge that the state and federal governments are aware of these issues. In August 2015, the LGAQ participated in a Budget Accommodation for Non-resident (Itinerant) Farmworkers Forum hosted by the Anti-Discrimination Commission Queensland (ADCQ).

The Association is also aware of the existence of an interagency committee, under the auspices of Workplace Health and Safety Queensland (WHSQ), which was established to consider how best to ensure the safety, wellbeing and rights of itinerant workers, particularly in the horticultural industry. It is our understanding the interagency committee was to be established as an extension to a WHSQ program commenced in 2013.

Previously, the LGAQ maintained representation on a State Government Interdepartmental Working Group for Budget Accommodation Buildings. Upon completion of the report Budget Accommodation Buildings – Maintaining Compliance and Safety, dated May 2010, prepared by the Working Group under the auspices of the then Department of Community Safety, the Working Group disbanded. At the time, no commitment was provided by the State Government to progress the recommendations of the report.

Following the 2015 LGAQ conference, the concerns of councils as expressed above have been referred to the state and federal government for their attention. Copies of the State and Federal Government responses to our representations to the relevant government bodies are attached.

Agriculture and horticulture are key economic industries in many of regional and rural sector and the use of itinerant and seasonal labour is essential to its continued contribution to regional and rural economies.

Improving the regulation and, as importantly, the monitoring and prosecution if necessary, of labour hire companies in this industry would lead to an improvement in the reputation of these local government areas where these workers exist and attract further workers to assist vital industries undertaking their activities safely and legally in the local economy.

A co-operative approach between the federal government and state governments in relation to overseas itinerant workers would further improve this situation.

The LGAQ seeks that the committee include in their Inquiry the state and federal government responses to these issues that have been previously raised with them.