

Compliance guidance for schools

VICTORIA'S LABOUR HIRE LICENSING LAW

If your school uses cleaners, security guards or temporary staff, you are likely to be considered a 'labour hire host' under Victorian law.

Under the *Labour Hire Licensing Act 2018* (Vic), businesses that provide labour hire services must be licensed, and hosts must use licensed providers.

Licensing helps to ensure labour hire companies are run lawfully, by fit and proper people – to protect workers and improve the integrity of the industry.

Any school found engaging an unlicensed labour hire provider may face penalties exceeding:

- **\$650,000 for a corporation**
- **\$160,000 for an individual.**

While procurement practices vary across sectors and schools, it is important that all decision-makers and procurement staff – including principals, business managers, sector staff and school councils – are aware of, and comply with, their obligations.

Examples of school services commonly provided by companies requiring a labour hire licence include:

- cleaners to clean classrooms and facilities
- groundskeepers to maintain lawns, sporting fields and landscaping
- security guards to patrol school premises
- temporary teaching or administrative staff.

Schools can protect themselves, and ensure compliance, by following some simple steps.

**Check and follow your current providers.
Always check the licence. It only takes a minute.**

Take two quick actions to protect your school and support a fairer labour hire industry:

1. Check the licences of your existing providers.
2. Subscribe to be notified of any changes to your providers' licence status



Engaging a labour hire provider

1. Check the labour hire licence.

- Visit the Labour Hire Licence Register on the Labour Hire Authority (LHA) website.
- Locate the business by searching by name or ABN and tap 'View licence details'.
- Confirm the licence status is  Active.
- Note any licence conditions.

2. Verify the identity of the person and business.

- Check that the person you are dealing with is acting on behalf of the licensed business.
- Check their identification, role, and authority to act.
- Ask for evidence of company structure, hierarchy of control, and any sub-contracting.
- If in doubt, contact the nominated officer listed on the register for the licensed business.
- Do not rely on paper documentation, and keep records of all checks and their outcomes.

3. Establish a clear, lawful contract.

A signed, written contract should:

- properly identify the parties involved
- ensure correct wages and entitlements are paid
- set clear and specific expectations, including of compliance with all workplace laws
- limit and/or require pre-approval of sub-contracting
- require them to advise you of any changes to the business's compliance or licence status.

4. Follow your provider to stay up to date.

- Subscribe via the LHA website to receive real-time updates of any changes to the licence status.

LABOUR HIRE LICENSING

The *Labour Hire Licensing Act 2018* (Vic) was established to protect Victorian workers from exploitation by hosts and providers of labour hire services, and to improve the transparency and integrity of the labour hire industry.

The Act was introduced after multiple inquiries identified that labour hire workers faced significant risk of exploitation.

Licensing helps to ensure labour hire companies are run lawfully and workers are treated fairly, through a range of checks on companies and their operators.

Definition of labour hire

Labour hire generally involves a business that either:

- supplies workers and pays them to perform work in and as part of a host's business
- recruits workers for a host and provides accommodation
- recruits workers as independent contractors for a host and manages contract performance.

Additionally, workers supplied for certain activities are considered labour hire under the Act, including:

- cleaning commercial premises
- certain horticulture activities
- certain meat or poultry processing activities.

There are limited circumstances where a provider is not required to hold a labour hire licence. The key exemption is for sole traders and partnerships that only supply the company directors – these businesses do not require a labour hire licence.

Sub-contracted services

Sub-contracting can be legitimate in labour hire, but compliance risk increases as supply chains become more complex, due to factors including:

- confusion regarding responsibilities between companies supplying workers and a host
- reduced visibility of companies further down the supply chain and their compliance
- the potential for unlicensed providers to be introduced into the supply chain.

Generally, every business that supplies labour hire workers to a host – whether directly or through intermediaries – must have a labour hire licence.

Schools can manage supply chain risk by including conditions in service agreements that stipulate:

- the use of sub-contracted providers is prohibited or controlled by clear agreement
- sub-contractors must meet legal obligations
- compliance auditing may be undertaken.

SITE VISITS BY LHA OFFICERS

LHA undertakes compliance activities such as site inspections to monitor and enforce compliance.

During a site visit, LHA compliance officers may ask questions or ask to see documents that demonstrate what a business is doing to meet their legal obligations. This may include details of a provider's labour hire licence, or information about the providers that a host is using.

It is important for hosts to have a firm understanding of who is working at their premises and under what conditions. Hosts can face significant penalties for non-compliance in their supply chain, as well as disruption to their business.

LHA action to address non-compliance can include issuing warning notices, cancelling or suspending licences, and prosecuting unlawful behaviour.

REPORT A PROBLEM

labourhireauthority.vic.gov.au/report

Anyone with evidence of non-compliance with Victoria's labour hire law can make a report to LHA, including around issues such as:

- labour hire worker mistreatment
- unlawful behaviour, such as tax avoidance
- unlicensed providers advertising or providing labour hire services
- a business using an unlicensed provider.

Reports should include details such as business names and addresses, dates, relevant documents or evidence such as emails or screenshots.

MORE INFORMATION

labourhireauthority.vic.gov.au/host

Visit the LHA website for more information for labour hire hosts.

You can also contact LHA on 1300 545 200 or enquiries@labourhireauthority.vic.gov.au



October 2025



Authorised and published by the Labour Hire Authority, Bendigo VIC 3550. For translating and interpreter assistance call 131 450 and choose your preferred language. If you are deaf, or have a hearing or speech impairment, you can contact us through the National Relay Service. Please visit www.relayservice.gov.au.

