

Labour hire industry guidance

Providers and hosts

LABOUR HIRE LICENSING

The Labour Hire Authority (LHA) oversees Victoria's labour hire licensing scheme, including its monitoring, compliance and enforcement.

In Victoria, all providers of labour hire services must hold a licence – this acts to:

- ensure companies meet their obligations to workers
- improve fairness, transparency and integrity in the labour hire industry.

Significant penalties apply for breaches of the *Labour Hire Licensing Act 2018* (Vic) – both to companies that provide labour hire services, and those that use them ('host' businesses).

Penalties can exceed:

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

With the scheme established, and LHA expanding its compliance and enforcement activities, it is especially important that providers and hosts understand and meet their obligations under the licensing scheme.

History of the licensing scheme

Labour hire licensing was established in response to the Victorian *Inquiry into the Labour Hire Industry and Insecure Work*.

The Inquiry found widespread abuse and exploitation of labour hire workers.

Under the Act, all:

- labour hire providers must be licensed
- host businesses must only use licensed providers.

KEY INDUSTRIES

Broadly speaking, a labour hire arrangement exists where a business supplies workers to work at a host business.

Workers supplied to the following industries are generally defined as labour hire workers:

- Commercial cleaning
- Horticulture
- Meat and poultry processing.

Labour hire is also common in a range of other industries, including:

- Security
- Recruitment
- IT
- Transport and warehousing
- Health care
- Construction.

TOOLS AND RESOURCES

The following tools and resources are available to assist providers and hosts – access them at labourhireauthority.vic.gov.au

Labour Hire Licence Register

Check if a provider is licensed – all licensed providers are listed on this public register.

Follow My Providers

Subscribe to be notified of any changes to providers' licence status or conditions.

Report a Problem

Report concerns or information about unlawful activity or misconduct in the labour hire industry.



PROVIDERS

All labour hire providers must be licensed. To maintain a licence, providers must meet obligations including:

- complying with workplace, tax, superannuation, migration, and other relevant laws and regulations
- complying with licence conditions
- providing annual reporting
- notifying LHA of changes
- ensuring nominated officers are available to LHA
- ensuring key people in the business are, and remain, 'fit and proper'.

It is unlawful to provide or advertise labour hire services while unlicensed – significant penalties apply.

Any sub-contractors supplying workers to a labour hire provider must also be licensed. Penalties also apply to attempts to avoid or circumvent the law.

LHA compliance officers monitor and investigate compliance with the scheme. If a provider is not compliant with their obligations, LHA may:

- refuse a licence application
- impose licence conditions
- suspend or cancel a licence.

Tips for providers

- Renew your licence well ahead of time – up to six months in advance
- Submit your annual reporting on time
- Notify LHA promptly of any changes to nominated officers or relevant persons
- Use LHA tools and resources to ensure you meet your obligations
- If you are unsure about your obligations, seek advice from reliable advisers
- Subscribe to LHA News and attend LHA information sessions to keep up-to-date

HOSTS

Host businesses – those that engage workers via labour hire providers – also have obligations under the Act.

Hosts must:

- only use labour hire providers who hold a valid labour hire licence
- not seek to enter arrangements intended to circumvent labour hire laws.

Hosts have a range of obligations to workers, many of which remain whether staff are engaged as employees or via a labour hire arrangement.

Tips for hosts

Hosts should be aware of who is supplying labour hire services to their business and work together with them to maintain compliance.

To minimise compliance risks and help ensure continuity of service, hosts should:

- Check providers' labour hire licence status and register to be kept updated of changes any changes to licence status or conditions
- Ask for evidence of providers' company structure, hierarchy of control and contracting arrangements
- Limit subcontracting arrangements in engagement of labour hire providers
- Check the age of providers' company and industry details

MORE INFORMATION

labourhireauthority.vic.gov.au

Visit the LHA website to access a range of guidance and information, LHA tools, the LHLO Portal, and other resources.

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