

# LABOUR HIRE LICENSING SCHEME IMPLEMENTATION

Report on what we heard – November 2020

## Labour Hire Licensing Scheme Implementation

On 21 May 2020, the Legislative Assembly passed the *Labour Hire Licensing Act 2020* in the Legislative Assembly to establish a licensing scheme for labour hire operators in the ACT.

The Scheme has been drafted to:

- > ensure labour hire service providers meet their workplace obligations and responsibilities to the workers they supply;
- > promote the integrity of the labour hire services industry; and
- > promote responsible practices in the labour hire services industry.

### The Conversation

Stakeholder views were welcomed to inform the design of the scheme’s supporting regulations and legislative instruments. This included specific questions about:

- a. any labour hire providers, or classes of providers that should be exempted;
- b. any workers, or classes of workers that should be exempted;
- c. any other Commonwealth, state or territory laws that should be prescribed; and
- d. any other information that should be included on a public register of labour hire licence holders.

### Who engaged

Twenty -three key peak bodies were invited to comment. Eight ACT Government Agencies were also invited to comment on the new scheme’s implementation.

| External Stakeholders              | #  |
|------------------------------------|----|
| Business Representative            | 13 |
| Unions                             | 4  |
| Community Representatives          | 3  |
| Insurers                           | 2  |
| Trainee/Apprentice Representatives | 1  |
| Internal ACT Gov Stakeholders      | 8  |

Thirteen external stakeholders provided comments, with over 75 per cent response rate from business representatives.

### Key insights from stakeholders

#### Secondments, consultants, high-income earners, and professionals

Stakeholders agreed including exemptions for professional white collar workers, (e.g. consultants or on-call doctors) was desirable. The Territory is considering drafting exemptions to remove professional classes of worker from the scheme.

#### Streamline Administration

Stakeholders advocated for streamlining the administration of the Scheme as much as practical. This included recognising other jurisdictions’ Labour Hire Licensing schemes, Secure Local Jobs Code certificates and some other licence and registration schemes.

The Territory is considering how best it could streamline administration depending on how substitutable the requirements of the scheme were with the suggestions and whether the other schemes were statutorily enforceable.

### **Business Structures**

Stakeholders discussed different types of business structures, such as groups, sole traders and body corporates as potentially exempt providers. The views included the concepts of business flexibility and the integrity of the scheme. The Territory is considering how the scheme treats business structures in a manner consistent with relevant tax, employment and corporation laws to reduce potential confusion.

### **Group Training Organisations**

Some stakeholders advocated for an exemption to apply for group training organisations. The Territory is considering whether the existing registration of GTOs meets the same suitability requirements under the labour hire licensing scheme, in particular, whether a history of compliance with employment laws in the ACT is met.

### **Fees and Pandemic Recovery**

Stakeholders highlighted the current economic conditions and the potential administrative overheads of a new scheme on businesses while

they are attempting to recover. The Territory is considering appropriate mechanisms in response to this.

### **Information Sharing**

Stakeholders queried how the Territory would best share the LHLS information internally to ensure efficient administration of related schemes such as regulating the Secure Local Jobs Code or registering Group Training Organisations under the National Group Training Standards.

The Territory is considering how it can best respect privacy under the LHLS and deliver the One-Government model to scheme administration across the Territory.

### **What's Next?**

Submissions have now closed and the ACT Government is considering stakeholder feedback as implementation of the supporting instruments are developed.

Clarity about the scope of the labour hire licensing scheme will be provided prior to commencement of the legislation to assist businesses operating as labour hire providers in the ACT to know if they need to apply for a licence.