



# IT'S ABOUT **T I M E**

**Fifth anniversary report  
of Queensland's labour  
hire licensing scheme  
(1 July 2022–30 June 2023)**

# 1. Executive summary

Queensland's Labour Hire Licensing Scheme (the scheme) through its legislation, the *Labour Hire Licensing Act 2017* (the Act), continues to lead the way in protecting workers from exploitation and promoting the integrity of the labour hire industry. More than five years on, there are now 3,900 licensed labour hire providers operating throughout Queensland across all industries.

This report marks a change in the reporting on the scheme's achievements and challenges. Previously, the Labour Hire Licensing Compliance Unit (LHLCU) published yearly anniversary reports (the scheme commenced in April 2018). From this report forward, the reporting period will align with the financial year. As a result, this report covers the fifth year of the scheme, from 1 July 2022 to 30 June 2023.

Compliance activities during the period saw several key outcomes including:

- 7.35 per cent increase in licensed labour hire providers from year 4
- 979 new license applications with 964 approved and 15 refused
- 839 audits and investigations
- 7 prosecutions filed.

During the fifth year of operation, the LHLCU:

- focused on high-risk issues, industries and locations
- expanded compliance activities in the security industry, including conducting security blitzes leading to prosecutions filed against a security provider
- conducted a targeted campaign in Far North Queensland leading to prosecutions commenced, including the first prosecution of an alleged avoidance arrangement in North Queensland
- increased engagement with applicants and licensees to promote compliance through increased use of monitoring conditions
- expanded relationships with relevant agencies including the Queensland Department of Fisheries and Agriculture (DAF), the Queensland Police Service (QPS) in key locations in Queensland, and the Victorian Labour Hire Authority (given an approximate 30 per cent commonality in licensed labour hire providers)
- continued its collaboration with WorkCover Queensland to ensure labour hire providers have adequate workers' compensation policies in place to protect workers
- filed multiple prosecutions, yet to be completed, including in security and horticulture
- marked five years in operation with feedback provided from stakeholders showcased throughout this report.

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**Howe Farming is a large agricultural business in Far North Queensland. We have been contracting seasonal workers through the labour hire scheme since 2018.**

**By using the labour hire scheme, it has enabled us to observe and learn which has helped make our direct employment seamless. The regulation of labour hire providers has given us the confidence to ensure that the providers are above board and legitimate.**

**The Labour Hire Licensing Compliance Unit has assisted us by conducting regular checks, out and about in our local community, shutting down rogue operators and ensuring that the seasonal workers are safe and all the contractual obligations are being met.** ”

**Kimberley Mastin**, General Manager,  
Howe Farming Group

## 2. Administration of the labour hire licensing scheme – Year 5

In the fifth year of the scheme, the LHLCU continued the momentum from year 4, with an ongoing commitment to improving scheme administration. This sustained focus resulted in several key achievements:

- 7.35 per cent increase in number of licensed labour hire providers
- 7.43 per cent increase in renewal applications processed
- 16.39 per cent rise in new applications received
- 9.82 per cent growth in audits and investigations conducted.

The LHLCU focussed on awareness and engagement and achieving efficiencies in the licensing process. This resulted in the number of licensed labour hire providers increasing by 7.35 per cent to total 3,900 licensees as at 30 June 2023 – the highest number of licensees since the commencement of the scheme. The 9.02 per cent increase in six-monthly reports lodged by licensees reflects positive compliance trends and adoption of the scheme’s obligations. Overall, the LHLCU remains committed to high-quality service and compliance with the Act.

The following table demonstrates the performance of the LHLCU in the administration of the scheme in the last 12 months, from July 2022 to June 2023.

### Headline statistics as at 30 June 2023 (for the period from 1 July 2022 to 30 June 2023)



## 2.1 Profile of labour hire licensees

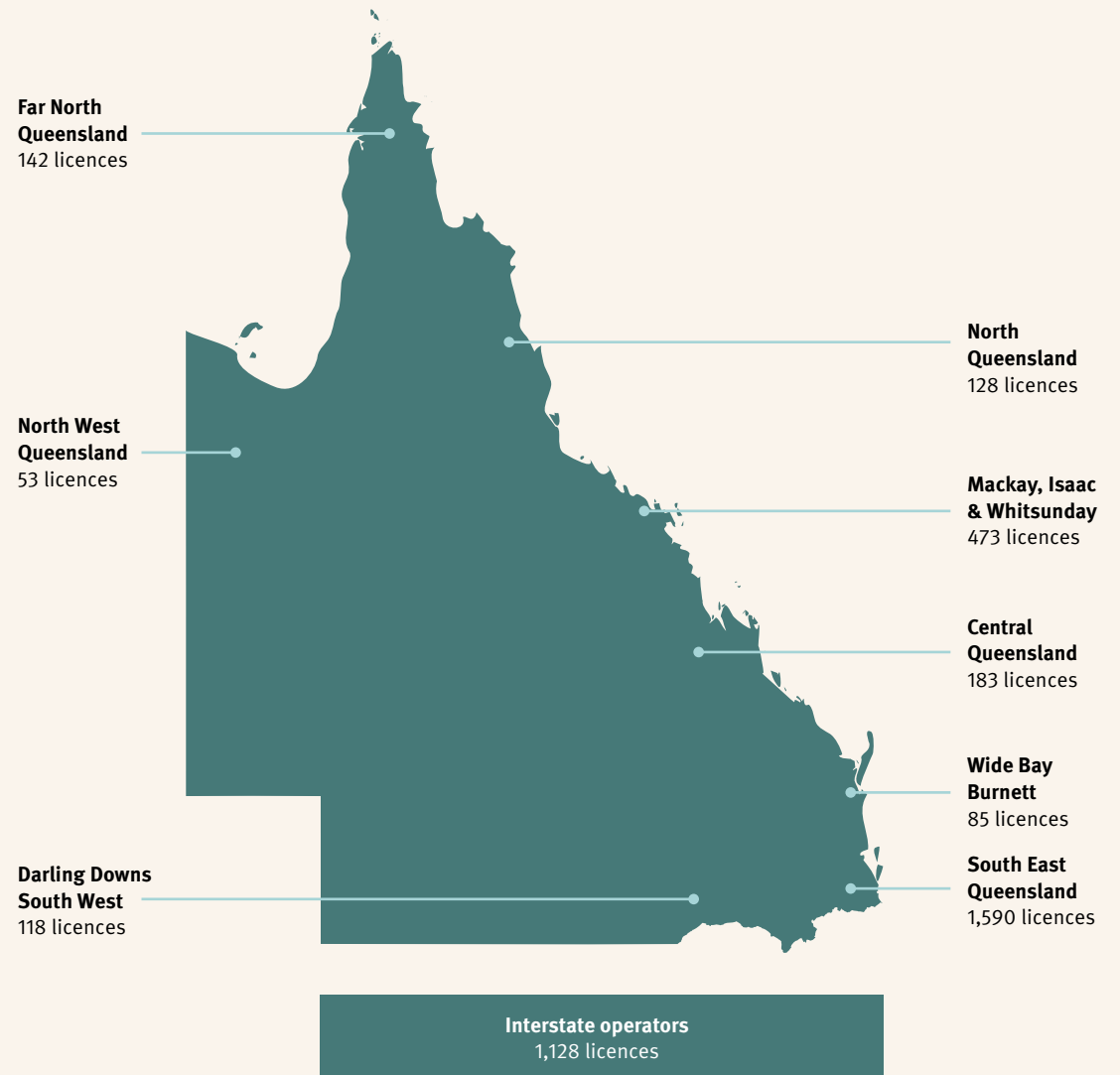
As at 30 June 2023, there were 3,900 labour hire licensees in Queensland, up 7.35 per cent from the fourth year.

More than 40 per cent of Queensland labour hire licensees have a principal place of business in South East Queensland and approximately 30 per cent have a principal place of business interstate.

**Figure 1: Profile of active licensees by region for the period 1 July 2022 to 30 June 2023**

Region	Number of licences	Per cent of base
Interstate	1,128	28.92
Central Queensland	183	4.79
Darling Downs South West	118	3.02
Far North Queensland	142	3.64
Mackay, Isaac and Whitsunday	473	12.12
North Queensland	128	3.28
North West Queensland	53	1.35
South East Queensland Central	1024	26.25
South East Queensland North	218	5.58
South East Queensland South	241	6.17
South East Queensland West	107	2.74
Wide Bay Burnett	85	2.17
<b>Total</b>	<b>3,900</b>	<b>100.00</b>

**Figure 2: Number of licensed labour hire providers by region, as at 30 June 2023**



**Figure 3: Profile of labour hire licensees by industries supplied to for the period of 1 July 2022 to 30 June 2023**

Parent industry	Number of licences
Accommodation and Food Services	302
Administrative and Support Services	711
Agriculture, Forestry and Fishing	449
Arts and Recreation Services	224
Construction	1330
Education and Training	269
Electricity, Gas, Water and Waste Services	471
Financial and Insurance Services	368
Health Care and Social Assistance	609
Information Media and Telecommunications	345
Manufacturing	674
Mining	1241
Other Services	645
Professional, Scientific and Technical Services	692
Public Administration and Safety	546
Rental, Hiring and Real Estate Services	168
Retail Trade	289
Transport, Postal and Warehousing	651
Wholesale Trade	187

**Figure 4: Licensees by industry supplied to for the period 1 July 2022 to 30 June 2023**

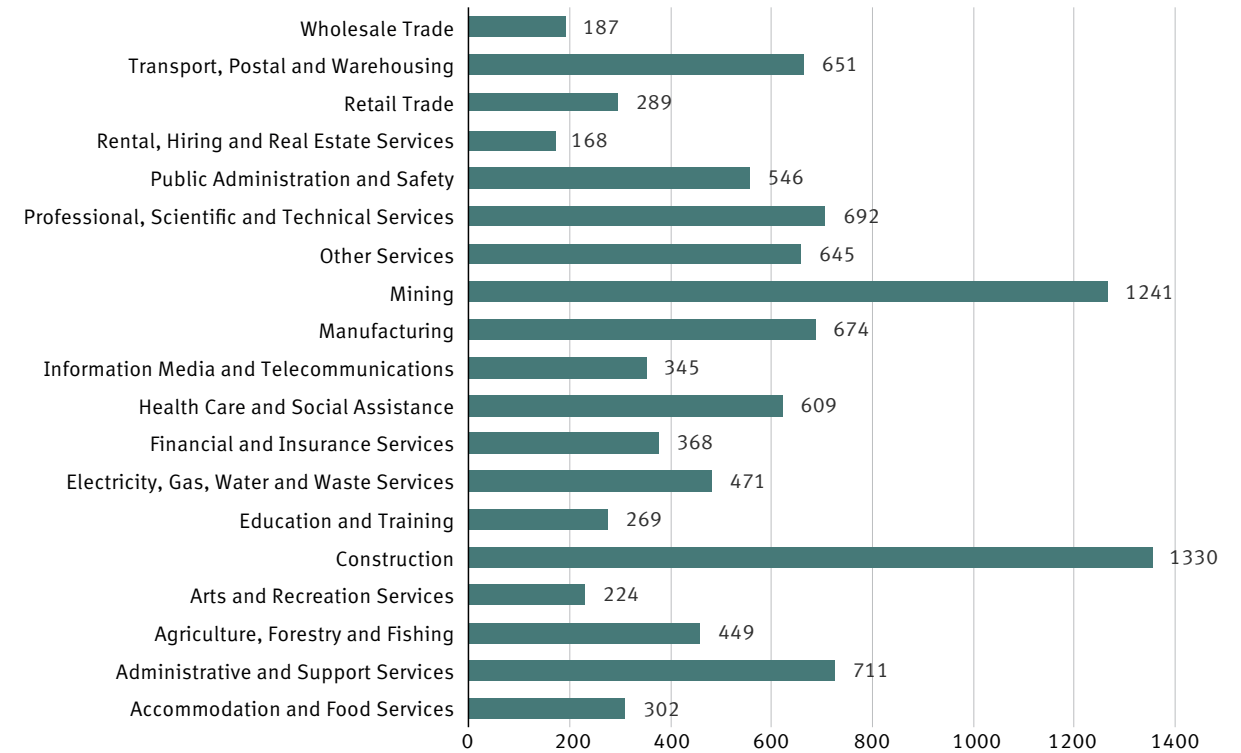


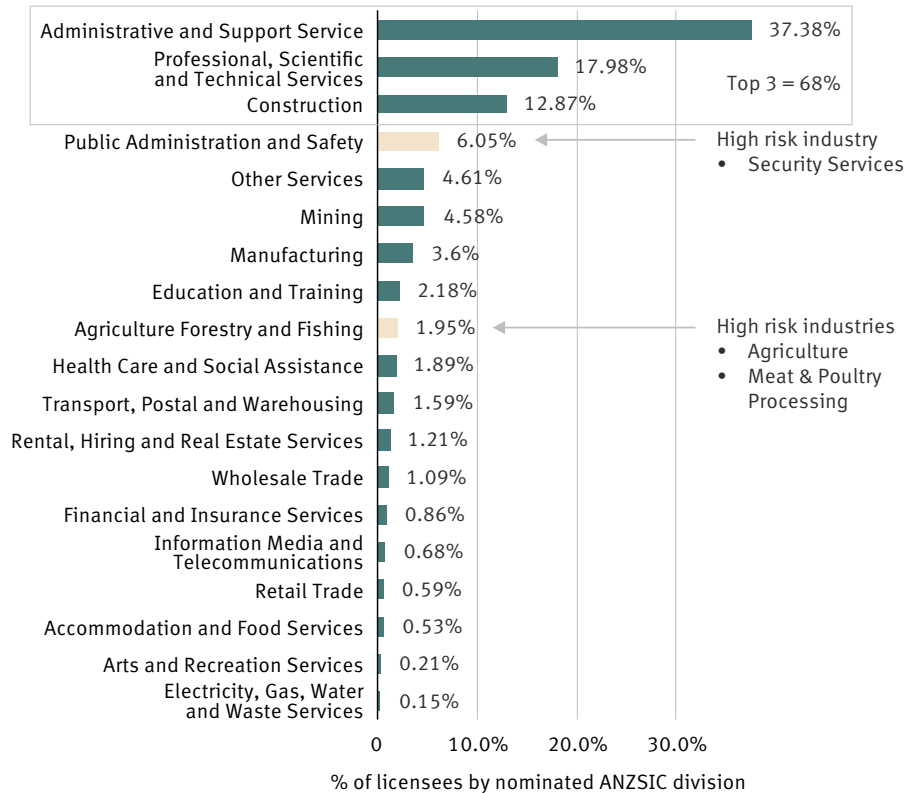
Figure 3 shows the number of active labour hire licences in different industries, based on the data reported by the providers themselves. Some providers operate in more than one industry, so the totals shown in the figure are higher than the actual number of active licences. The industries with the most providers are construction, and mining, with over 1,000 providers each.

There are also more than 500 providers in each of these industries: administration and support services; health care and social assistance; manufacturing; public administration and safety; transport, postal and warehousing; professional, scientific and technical services; and other services.

A different picture emerges when industry representation is examined according to the Australian and New Zealand Standard Industry Classification (ANZSIC) code nominated by the entity.

According to this data, administrative and support services has the largest number of labour hire providers at over 37 per cent of the base, followed by professional, scientific and technical services (17.98 per cent) and construction (12.87 per cent).

**Figure 5: Percentage of labour hire providers in each ANZSIC division, as at 30 June 2023**



**Figure 6: Percentage of labour hire providers in each ANZSIC division**

Industry divisions	% by nominated ANZSIC code
Administrative and Support Services	37.38
Professional, Scientific and Technical Services	17.98
Construction	12.87
Public Administration and Safety	6.05
Other Services	4.61
Mining	4.58
Manufacturing	3.6
Education and Training	2.18
Agriculture Forestry and Fishing	1.95
Health Care and Social Assistance	1.89
Transport, Postal and Warehousing	1.59
Rental, Hiring and Real Estate Services	1.21
Wholesale Trade	1.09
Financial and Insurance Services	0.86
Information Media and Telecommunications	0.68
Retail Trade	0.59
Accommodation and Food Services	0.53
Arts and Recreation Services	0.21
Electricity, Gas, Water and Waste Services	0.15

## Reporting obligations

Under the scheme, licensees must report on their operations to the LHLCU every six months, providing information such as the:

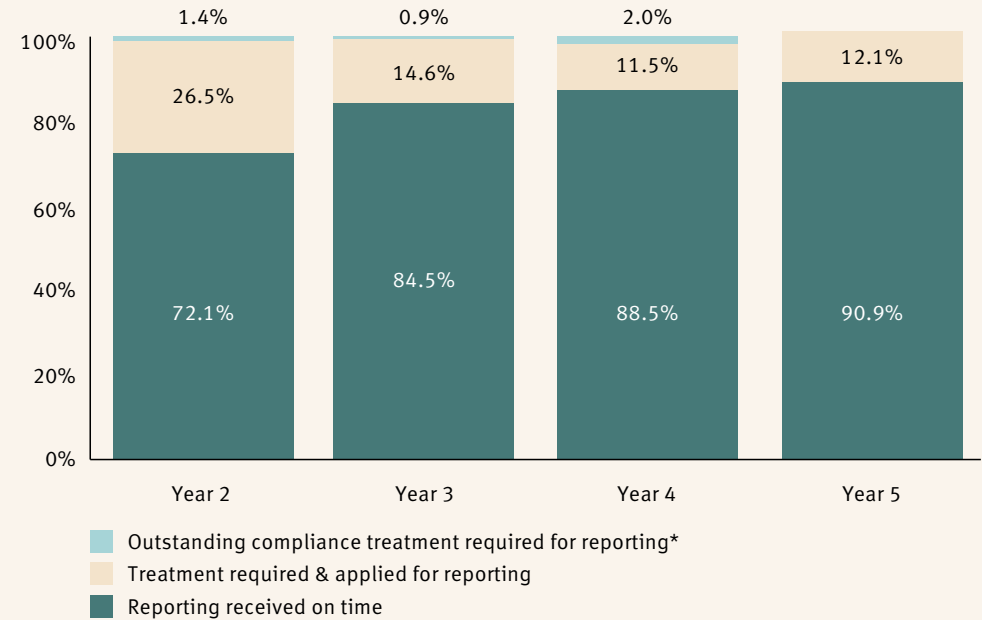
- number and type of workers supplied
- industries and occupations they are supplied to
- location and accommodation of the workers
- services and fees charged to the workers
- compliance and safety records of the licensee.

The reports must be submitted within 28 days after the end of each reporting period.

The six-monthly reports are a key element of the scheme, which requires all licensed providers to report regularly on their labour hire activities. This enables the LHLCU to monitor compliance and prevent exploitation. Demonstrating the importance of complying, failing to report within the timeframe may result in a fine or the licence being suspended or cancelled. For more information, visit [labourhire.qld.gov.au](http://labourhire.qld.gov.au).

In the fifth year of the scheme, 6,913 reports were received on time, representing 90.88 per cent of all reports due. This is an increase from 88.5 per cent in year 4. There were 7,606 reports due during the fifth year of the scheme. Of these, 924 reports were overdue. These outcomes reflect a significant improvement by labour hire licensees in compliance with reporting obligations, with reports received on time increasing by 5 per cent and a significant reduction in the need to take firm compliance action.

Figure 7: Trends in compliance with six-monthly reporting



\*These licensees were in the process of having compliance treatments applied to them without an outcome having yet been recorded.

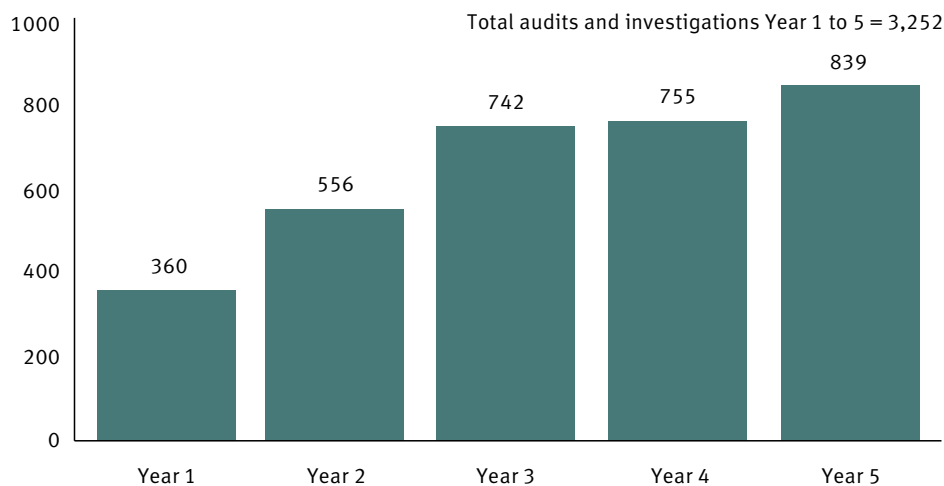
## 2.2 Compliance and enforcement data

Since the scheme commenced, the LHLCU has focused on preventing the exploitation of labour hire workers across all industries in Queensland. The LHLCU conducts investigations in any industry where risks and significant evidence of worker exploitation have been identified. As a result of the improved risk assessment approach adopted during year 4, further compliance activities have been undertaken across all industries by identifying high-risk matters for further inquiry. All complaints are triaged, assessed and investigated as appropriate.

### Audits and investigations

The LHLCU conducted 839 audits and investigations in the fifth year of the scheme, an 11 per cent increase from 755 in year 4. This increase has been instrumental in informing the use of firm compliance actions, particularly the use of monitoring conditions, to address non-compliance in the labour hire industry in Queensland.

**Figure 8: Trends in audits and investigations**



### Compliance actions

The LHLCU actively seeks opportunities to provide education to and engage with stakeholders and providers. By providing stakeholders with appropriate, timely and responsive information, the LHLCU supports licensees to meet their obligations under the Act. For providers who demonstrate a willingness and capacity to comply (notwithstanding some past non-compliance), compliance tools such as imposing conditions may be used to influence their ongoing change in behaviour and to provide transparency. For other providers who engage in non-compliant conduct or cannot satisfy the LHLCU that they are willing and able to comply, stronger compliance actions such as refusal, suspension and cancellation may be required.

The fifth year of the scheme saw an improvement in compliance by applicants and licensees. Compliance activity (number of audits, investigations and complaints finalised) increased by over 11 per cent. This resulted in a corresponding increase in compliance actions of 10.54 per cent. Refusals of licence applications were relatively consistent with year 4, suspensions showed a 50 per cent increase while cancellations of licences were down by 36 per cent.

The approach by the LHLCU to work with applicants and licensees to influence a change in their behaviour and become compliant resulted in a 36 per cent increase in the number of licences approved with conditions. The increase in conditional licences was accompanied by a corresponding decrease of 43 per cent of applicants withdrawing from the application process. Withdrawals occur when applicants fail to engage with the LHLCU and provide information required to assess compliance with relevant laws.

The marked decrease in the number of withdrawals and corresponding increase in conditional licences demonstrates the effectiveness of the approach. This has resulted in appropriate and proportionate licence conditions being imposed on labour hire providers, enabling the LHLCU to continue to monitor and work with the licensees to ensure compliance with all obligations.

During Year 6, ongoing monitoring of conditional licences will be a key focus for the LHLCU.



**Figure 9: Year on year comparison of compliance actions**

Compliance actions	Year 1	Year 2	Year 3	Year 4	Year 5
Refusals	10	25	20	16	15
Withdrawal (failure to provide compliance information)	99	51	51	72	41
Grant with condition	9	18	34	56	82
Suspension	68	130	69	24	36
Cancellation	2	51	31	11	7
Prosecutions	0	7	8	4	7*
Number of compliance cases	360	556	742	755	839

\*7 prosecution matters filed yet to be completed.

## 2.3 Compliance and enforcement focus

### Security industry

In 2021-22, the LHLCU focused on improving compliance in the security industry. A variety of inquiries, reports and intelligence sharing between agencies highlighted concerning practices in the security industry which led to exploitation of workers as well as undercutting compliant businesses.

Security guards are often visa holders or from culturally and linguistically diverse backgrounds. This makes them more vulnerable to non-compliant employment practices. The main issues identified in the security industry are:

- underpayment of workers' entitlements (wages and superannuation)
- poor record-keeping including agreements and payslips
- inadequate WorkCover plans
- financial compliance issues (Australian Tax Office debts)
- sub-contracting and avoidance arrangements (head contracting)
- illegal phoenix activity<sup>1</sup>
- providing labour hire services without holding a licence
- engagement in the cash economy.

<sup>1</sup> Illegal phoenix activity describes the practice of setting up a new business to carry on operations of a liquidated company to avoid paying the debts of the insolvent company.

After uncovering the issues within the industry, the LHLCU engaged with the security industry and its labour hire providers and users, venue operators and other stakeholders about obligations under the Act.

Due to the high-risk issues identified in year 4 of the scheme, in year 5 the LHLCU expanded compliance activities in the security industry. This resulted in multiple instances where the LHLCU was able to identify and refuse, withdraw or cancel the applications or licences of providers operating within security supply chains.

Engagement took many forms including the LHLCU adopting a high visibility feet-on-the-ground approach with random compliance checks completed at a variety of venues throughout Queensland. By maintaining a high profile across Queensland, the LHLCU upholds the standards of the industry and fosters and ensures compliance in a collaborative manner.

The LHLCU's industry-wide focus included adopting a range of strategies to:

- influence providers with identified non-compliance if attitude to compliance and willingness to comply can be demonstrated
- engage with and educate licensees about their obligations under the Act
- support compliant providers doing the right thing
- engage and educate users about supply chain risks, particularly around visibility of the supply chain
- remove non-compliant operators from the industry
- impose conditions on licensees to ensure the protection of workers through active monitoring of licensees.

Where non-compliance is found or there is a high risk of non-compliance with legal obligations from a licensee or applicant, it could result in the LHLCU:

- providing education to the provider
- issuing warnings to the licence holder/s
- imposing conditions on the licence
- suspending or cancelling the license.

The LHLCU was able to identify and refuse, withdraw or cancel the applications or licences of providers operating within security supply chains.

During the 2022-23 security blitz, the LHLCU used a range of compliance actions resulting in:

- 56 applications received
- 28 licences granted
- 22 licences granted with conditions
- 8 refused (representing 72 per cent of all refusal decisions made during year 5)
- 4 cancelled (representing 57 per cent of all cancellations during year 5).

**Demonstrated impact: Ability of the LHLCU to accurately apply compliance treatments to applicants and licensees to ensure workers are protected in high-risk industries.**



### 3. Case studies: Security

#### 3.1 Case study: Engagement with stakeholders at Logan Liquor Industry Action Group (LIAG) meeting

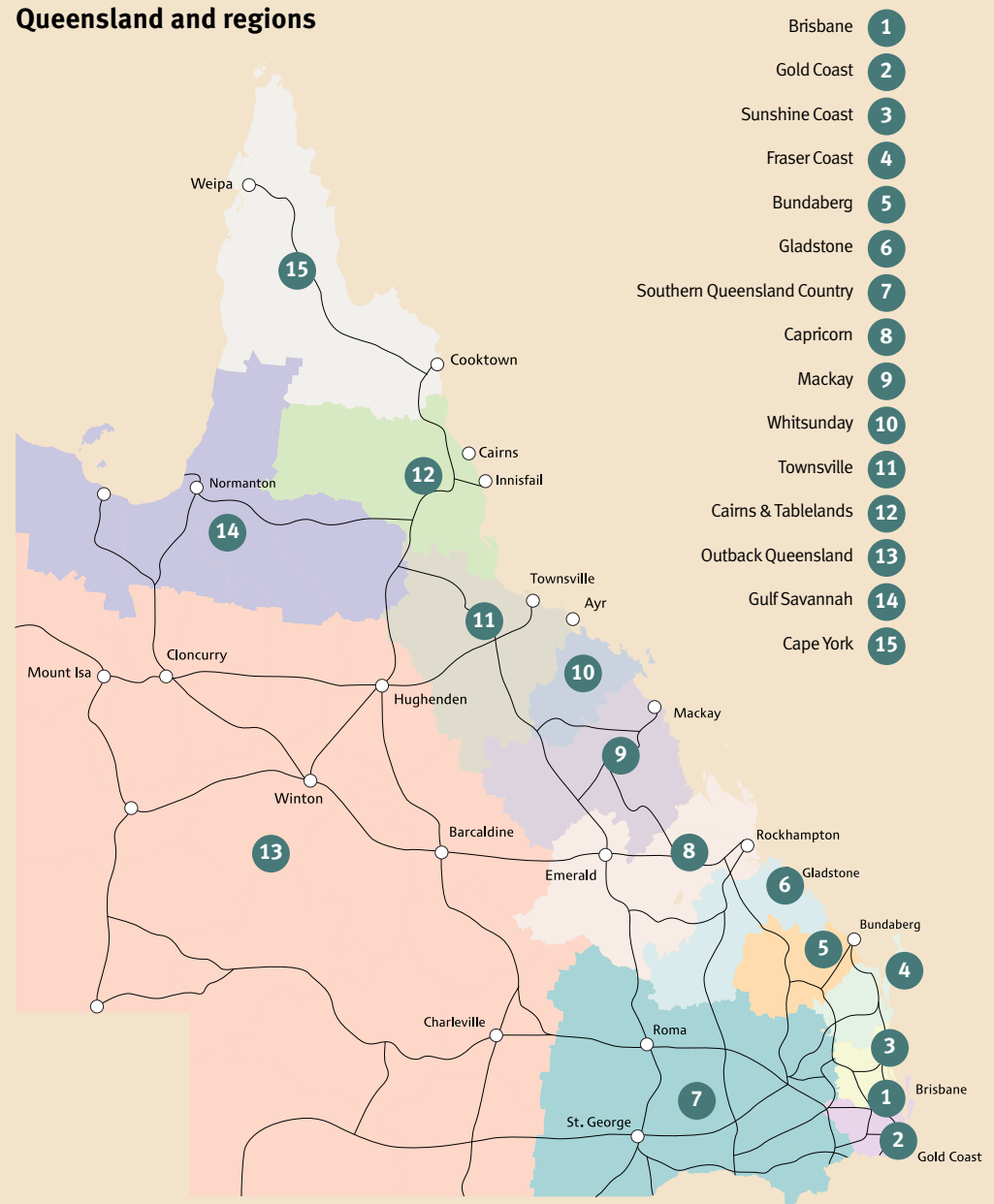
The LHLCU presented at the LIAG meeting. The LIAG consists of licensees and managers of licensed venues including pubs and clubs. The group provides assistance regarding security licensing and responsible alcohol management plans amongst other areas.

The LHLCU takes all opportunities throughout Queensland to provide education to licensed venues as users of labour hire services (crowd controllers) to build awareness and coverage across the security, hospitality and cleaning industries.

#### 3.2 Case study: High visibility in Mackay and Nebo

The LHLCU conducted compliance inspections in Mackay and Nebo to provide education to users of labour hire services (crowd controllers) across a range of venues including licensed venues and local events such as shows. The Mackay field operation marked the expansion of the security blitz across regional Queensland.

Queensland and regions



### 3.3 Case study: Licence granted with conditions

A Sydney-based security company with a sole director/shareholder applied for a labour hire licence.

The director had significant experience in the security industry and had been involved in multiple companies, in a variety of industries. Two of those companies went into liquidation several months after the director ceased in the role.

During the audit the applicant readily engaged with LHLCU, disclosing past non-compliance issues and engagement with the ATO over a considerable period of time in an attempt to resolve identified concerns. The applicant was able to provide evidence to confirm his positive attitude to compliance and respond to concerns surrounding fitness and propriety and financial viability.

A licence was ultimately granted with conditions requiring the licensee to submit monthly ATO integrated account summaries to ensure ongoing compliance with relevant laws and to confirm financial viability.

**Demonstrated impact: The effectiveness of the LHLCU to influence and change the behaviours of providers who demonstrate a willingness to comply (notwithstanding past non-compliant behaviour) and capacity to leverage compliance outcomes for other regulators such as the ATO.**

### 3.4 Case study: Risk in supply chains in security – Operating unlicensed and underpaying

The 2017 Black Economy Taskforce report noted that supply chains have become increasingly complex, leading to less transparency and an increase in non-compliance with existing legislation. Supply chains operating in the labour hire sector were reported to exhibit these properties.

The Act requires all providers in a supply chain to obtain a licence to operate in Queensland, meaning improved visibility within a supply chain. In many cases, the user is not aware that sub-contractors are being used, although in some cases there is evidence that users have facilitated the structure.

Since commencement, there have been multiple instances where the LHLCU has been able to identify and refuse, withdraw or cancel the applications or licences of providers operating within supply chains.



The following is a deidentified example which demonstrates the capacity of the legislation to encourage shorter supply chains and better supply chain visibility.

<p><b>Head contractor</b></p> <p>– No direct employees, supplies via subcontractors</p>	<p>Made application for a labour hire licence and selected for audit. The audit documents indicated that the applicant was already providing labour hire services in Queensland through licensed sub-contractor 1.</p> <p>The applicant was warned that it could not operate as ‘Head contractor’ (holding contracts with the clients/users) until it was also granted a licence, including through a licensed sub-contractor 1. All entities involved in a supply chain must be licensed, as per section 7(2)(c) of the Act. The documents also suggested that the hourly rates the head contractor was charging its clients were too low compared to the rates specified in the Security Services Industry Award 2020 (the Award). Similarly, invoices issued to the head contractor by sub-contractor 1 showed similarly low rates that could not cover guards’ wages under the Award.</p> <p>Given the head contractor provided unlicensed labour hire services and failed to comply with or demonstrate an ability to comply with relevant laws, being the <i>Fair Work Act 2009</i> (FW Act), the application for a labour hire licence was refused.</p>
<p><b>Sub-contractor 1</b></p> <p>– No direct employees, supplied via sub-contractors</p>	<p><b>Licence cancelled.</b></p> <p>As a result of the above findings, an audit of sub-contractor 1 was subsequently commenced, which identified it was also fully sub-contracting its work for the head contractor to a third security provider. Following audit, the licensee was issued with a show cause to cancel its licence given it had engaged sub-contractor 2 as an unlicensed provider over a considerable period of time, in breach of section 11 of the Act. In addition, it also failed to comply with the FW Act under accessorial liability provisions in its arrangement with sub-contractor 2.</p>
<p><b>Sub-contractor 2</b></p> <p>– Employs workers</p>	<p><b>Licence refused.</b></p> <p>Application made for a labour hire licence and selected for audit. As application under review, it was not permitted to provide labour hire services. A review of invoices issued to sub-contractor 1 showed again, the rates charged were below the Award, indicating the guards supplied to the clients were being underpaid. In addition, the ATO confirmed that the applicant had failed to lodge tax returns in compliance with the <i>Taxation Administration Act 1953</i> (TA Act) since it was registered, and had failed to lodge a Business Activity Statement (BAS) since 31 August 2020.</p> <p>Application for a labour hire licence was refused for:</p> <ul style="list-style-type: none"><li>• providing unlicensed labour hire services, in breach of section 10 of the Act</li><li>• failing to comply with relevant laws, being the FW and TA Acts, by systematically paying staff flat rates below the Award and not lodging BAS or tax returns when required.</li></ul>

**Demonstrated impact: The capacity of the legislation to encourage shorter supply chains and better supply chain visibility.**



### 3.5 Case study: Refusal of an interstate security provider

A security provider based in New South Wales applied for a labour hire licence in Queensland.

When requested to demonstrate a history of compliance with relevant laws, the applicant was found to have failed to pay superannuation on time for employees over a period of 15 months. The applicant also had an accumulated tax debt to the ATO over a period of 18 months. This contributed to concerns about the business' financial viability, as well as a large operating loss and negative equity reported for the prior financial period.

The provider was part of a group of entities in the security industry managed by the same director. The director was unable to provide a response under notice to demonstrate a history of compliance with relevant laws for a related entity which had been providing labour hire services in Queensland over several years. The common director across the entities attributed this to the sale of the business that had occurred shortly after the LHLCU made the request, stating that he was no longer a director and shareholder of the company. The response did not satisfy the LHLCU given the business and director at the time had an obligation to keep business records for a period of five years. As a result, the application was refused.

The LHLCU has regard to compliance with a range of relevant laws and thoroughly assesses entities and where appropriate, groups of related entities, to ensure the fit and proper, and financial viability tests can be satisfied.



### 3.6 Case study: Refusal of a security provider

A security provider on the Sunshine Coast was granted a labour hire licence in June 2020. After 12 months, they did not renew their licence, but continued operating unlicensed.

The provider lodged an application for a new labour hire licence. The LHLCU advised the provider on several occasions that it could not supply labour until licensed, even during the application process.

During the application process, bank records were provided that demonstrated different clients regularly paying money into the account with references to services provided.

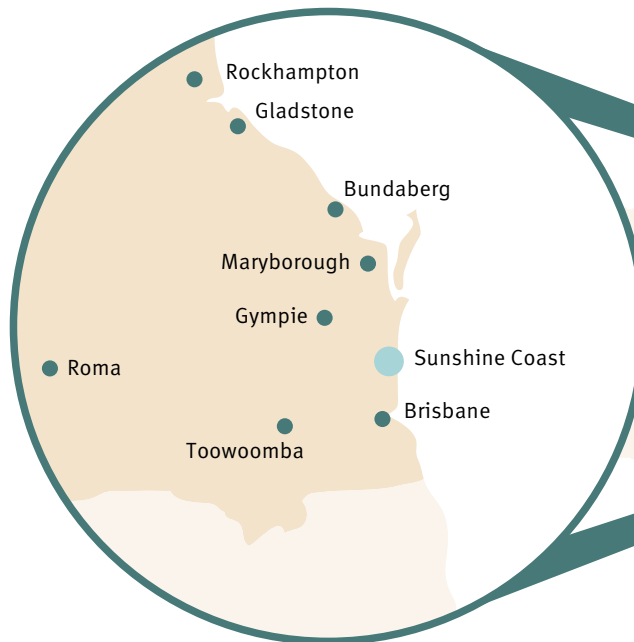
In addition to continuing to provide labour while unlicensed, the provider also had several unresolved issues that demonstrated non-compliance with a range of relevant laws. The provider:

- had a sole director who was living offshore for more than two years, in non-compliance of section 201A(1) of the *Corporations Act 2001* which requires that a proprietary company must have at least one director and that director must be ordinarily resident in Australia
- failed to meet its tax obligations to the ATO for the previous two years, accruing a large debt including superannuation guarantee payments for workers

- failed to pay its workers the correct hourly rate based on their shift time period, for the purpose of the Security Services Industry Award 2020
- incorrectly calculated the superannuation guarantee, as it was calculated at 9.5 per cent instead of 10 per cent of gross pay for periods prior to 1 July 2022
- failed to ensure all workers have a right to work in Australia.

The provider had their labour hire licence application refused.

For year 6 of the scheme, the focus for the security industry compliance program will be to continue to promote and influence compliance, particularly at the user/host level and to regulate supply chain arrangements ensuring increased visibility.



## 4. Horticultural industry

### 4.1 Compliance and enforcement in Far North Queensland

The LHLCU is committed to protecting vulnerable workers from exploitation. As the demand for seasonal workers increases across Queensland, the LHLCU is aware of the risks of sophisticated non-compliance and fraudulent activities in the labour hire industry. One of these risks is the misuse of labour hire licences by third parties who are not authorised to provide labour hire services, imitating the real labour hire provider, with that labour hire provider knowingly or unknowingly letting this happen. Such behaviour is deliberate and knowingly undertaken to avoid the operation of the Act. This can expose workers to unsafe and unfair conditions and undermine the integrity of the licensing scheme.

To prevent this, the LHLCU urges all stakeholders to check the register of labour hire licences before engaging with any labour hire provider. The register lists all the licensed providers in Queensland and their licence details, including any conditions or restrictions. The register also shows suspended and cancelled licences, indicating the providers who have breached the Act or failed to meet their obligations.

Under the Act, it is an offence to transfer, sell, dispose of, lend or hire out a licence to another person, or to provide labour hire services without

a licence. The maximum penalty for these offences is \$30,960 (200 penalty units). Therefore, it is important to verify the identity and licence status of any labour hire provider before entering into any arrangement with them. The LHLCU will continue to monitor and enforce the compliance of the labour hire industry and take action against unlawful practices.

The LHLCU is focused on continuing to work to protect vulnerable workers. With the recent developments of deliberate and more sophisticated non-compliance the LHLCU continues to monitor and explore all avenues. With seasonal worker numbers increasing, the LHLCU will remain highly visible and active in the Far North Queensland region.



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The Approved Employers of Australia (AEA) has experienced positive dealings with the Labour Hire Licensing Compliance Unit (LHLCU) in Queensland.

Their willingness to collaborate and communicate with the AEA is greatly appreciated. The value and impact of the LHLCU is considerable as it strives to protect employers doing the right thing and ensure illegal operators are held to account.

Their professionalism, integrity and protection of privacy laws is highly respected. Other states and territories are encouraged to follow their example. ”

Steve Burdette, Executive Officer,  
Approved Employers of Australia



## 4.2 Case studies: A snapshot of engagements and operations across Queensland

The LHLCU works closely with a range of local, state and federal agencies, including the Australian Border Force (ABF), Workplace Health and Safety Queensland (WHSQ), the Fair Work Ombudsman (FWO) and WorkCover Queensland (WCQ) to ensure the integrity of the scheme in Queensland and to protect vulnerable workers from exploitation.

During year 5, the LHLCU continued to expand relationships with relevant agencies including the Queensland Department of Fisheries and Agriculture (DAF), the Queensland Police Service (QPS) in key locations in Queensland, and the Victorian Labour Hire Authority (VLHA).

LHLCU's delivery model enables sharing of information through strong collaborative relationships with other government agencies. For example, the scheme shares information as permitted by law with the VLHA to ensure that applicants and licensees supplying labour hire services in both jurisdictions are compliant with their obligations and all relevant law.

As the regulator of the labour hire industry in Queensland, it is crucial to have a high visibility presence in all communities where labour hire providers operate. This way, the LHLCU can:

- detect when workers are exploited or mistreated by providers
- deter and disrupt such behaviours by sending a strong message to egregious providers that they will be found and held accountable for their behaviours.

By continuing to maintain high visibility throughout Queensland, the LHLCU benefits by increasing its credibility, trust and reputation as the regulator who puts the workers, the providers doing the right thing and the community first.



## 4.2.1 Case study: Joint activities in the Caboolture region

Since commencement, the LHLCU together with WCQ and ABF attend strawberry farm sites to deliver education to growers using labour hire and conduct compliance checks on labour hire providers in the area. During year 5, the LHLCU again spoke to workers, gathered intelligence about labour hire providers and engaged with the growers about the season.

Consistent with the previous year's campaign, the LHLCU observed higher levels of direct employment, an increasing pattern of growers becoming Approved Employers under the Pacific Australia Labour Mobility (PALM) scheme and increased use of PALM scheme workers.

In year 5, the LHLCU also observed more labour hire providers becoming Approved Employers under the PALM scheme. This will remain a key focus during year 6 of the scheme.

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**The Queensland Labour Hire Licensing Scheme has given us confidence that the labour hire businesses we deal with have been verified as being compliant in regards to worker welfare.**

**As the actual workers are working on our farms, it is important to us that they are being treated fairly and are legally able to work in Australia.**

**The scheme has been a game changer in our industry and we encourage other states to look at adopting something similar.**”

**Gavin Scurr**, Managing Director,  
Pinata Farms

## 4.2.2 Case study: Working Tourist Safety Forum, Bundaberg

Ensuring the safety of working tourists, seasonal workers and backpackers to the Bundaberg region is a dedicated group of stakeholders who meet every six weeks to address issues impacting these visitors. The LHLCU regularly attends the Working Tourist Safety Forum in Bundaberg, organised by the QPS.

Stakeholders include hostel owners, farms, labour hire providers, Bundaberg Fruit and Vegetable Growers, Surf Life Saving, the British Consulate, and the Irish Australian Support Association, and representatives from local, state and federal government agencies.

Issues addressed through this forum are varied and include visas, farm safety, accommodation and transport issues, personal safety, property security and treatment of workers in the region.

Due to regular attendance and ongoing issues raised at the forum, WCQ and LHLCU conducted a targeted campaign in year 5 in the Wide Bay region. Farm visits, accommodation inspections and engagement with stakeholders followed.

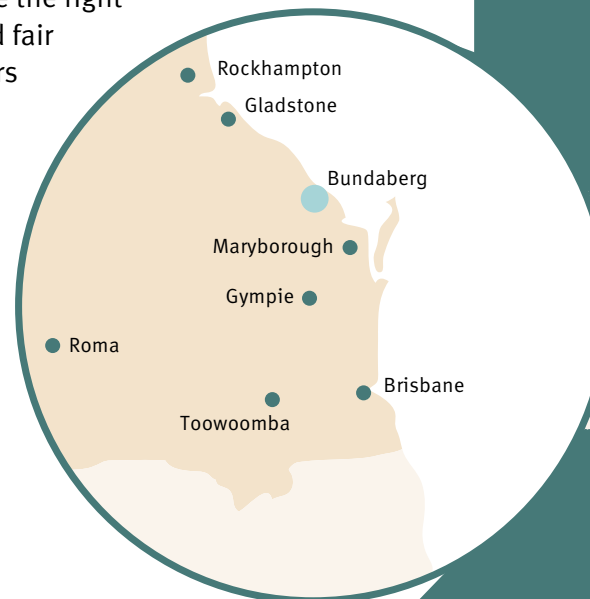
This led to education being provided to labour hire providers and users regarding required standards, with referrals being subsequently sent to the appropriate agencies. For example, following attendance at the forum, a tip-off was received about overcrowded accommodation for seasonal workers. In this instance, the workers

had elected to find their own accommodation. The LHLCU referred the matter to Queensland Fire and Emergency Services (QFES) and the relevant local council for investigation. This resulted in inspections conducted and interim orders imposed to ensure workers were provided with suitable accommodation.

Labour hire providers who supply accommodation to workers in connection with their labour hire service must register their accommodation details with the LHLCU and declare that they will comply with minimum accommodation standards.

These standards include requirements under various laws and regulations, such as the *Building Act 1975*, the *Fire and Emergency Services Act 1990*, the *Residential Tenancies and Rooming Accommodation Act 2008* and the *Work Health and Safety Act 2011*.

Workers who are employed by labour hire providers have the right to work in safe and fair conditions. Workers can check the public register to find licensed labour hire providers and report any problems or concerns to the LHLCU.



“  
**Bundaberg Fruit and Vegetable Growers advocated for a labour hire licensing mandatory scheme for many years to protect workers and support growers accessing labour hire companies.**

**We have been closely involved with the scheme and personnel involved in the program for the past five years and are now advocating for a national scheme modelled on the Queensland program.**”

**Bree Watson**, Chief Executive Officer,  
Bundaberg Fruit and Vegetable Growers Limited

### 4.2.3 Case study: Joint activities in the Bowen region

Since commencement of the scheme, the LHLCU regularly visits and invests in building relationships with growers, key stakeholders (including the Bowen Gumlu Grower Association) and labour hire providers to engage with and educate about obligations under the Act. In year 4 the first prosecution of an unlicensed provider in the Bowen region occurred.

During year 5, the LHLCU visited farm sites to deliver education to growers using labour hire and conduct compliance checks on labour hire providers in the area. The LHLCU maximised the opportunity to speak with workers, gathered intelligence about labour hire providers and engaged with the growers about the season.

Feedback from Bowen was very positive with intelligence gathered about a range of issues, including an alleged unlicensed operator contacting farms in the region.



“

**The Labour Hire Licensing Scheme is a highly valuable service for producers and industry personnel across Queensland as the service ensures all operating providers are compliant and meet standards.**

**This service provides the platform to report any licensing concerns to ensure that both employers and employees are protected, which assists in safeguarding the migrant workforce streams.**

**The Labour Hire Licensing team are incredibly responsive to any concerns raised.** ”

Colette Williams, Workforce Development Officer, Bowen Gumlu Growers Association

### 4.3 Case studies: Joint operations and engagement

The LHLCU works closely with a range of local, state and federal agencies, including ABF, WHSQ and WCQ to ensure the integrity of the scheme in Queensland and to protect vulnerable workers from exploitation. During year 5 of the scheme, the LHLCU continued to expand relationships with relevant agencies including DAF and QPS in key locations in Queensland.

LHLCU's delivery model enables sharing of information through strong collaborative relationships with other government agencies. For example, the scheme shares information as permitted by law with WCQ to ensure that licensees are compliant with their workers' compensation obligations and to ensure appropriate and adequate insurance cover is in place covering workers in Queensland.



### 4.3.1 Case study: Joint activities with WCQ and QPS in Lockyer Valley

During onion season, the LHLCU together with WCQ and QPS attended farm sites to deliver education to growers using labour hire and conduct compliance checks on labour hire providers in the area. During year 5, the LHLCU spoke to workers, gathered intelligence about labour hire providers and engaged with growers about the season.

Following field activities, a multi-agency approach was adopted to:

- leverage combined expertise to disrupt the business model (cash) operating in the area among labour hire providers
- enforce compliance with workers' compensation obligations.

The following case studies demonstrate the types of arrangements prevalent in horticulture, as well as the likely actions that will be taken by the LHLCU once an investigation is completed.





### 4.3.2 Case study: Lockyer Valley – Licence suspended

Once a licence is granted, a licensee must remain a fit and proper person and financially viable. One key consideration is if a licensee has complied with relevant laws. Relevant laws include the *Workers' Compensations and Rehabilitation Act 2003*. Information from WCQ indicated a licensee's WorkCover policy had lapsed and they had an outstanding debt in relation to the previous financial year.

The LHLCU sought to engage with the licensee resulting in a notice requiring information to be issued. The licensee failed to respond. Given the lack of willingness to engage by failing to comply with the notice issued, and the non-compliance with a relevant law by failing to comply with workers' compensation obligations, the licence was suspended. The LHLCU then contacted relevant farms to advise the licensee had been suspended.

This action resulted in the licensee paying their debt and renewing their WorkCover policy. The suspension was then lifted, and a condition was placed on the licence to monitor its ongoing compliance with its workers' compensation obligations.

**Demonstrated impact: The capacity of the scheme to leverage compliance outcomes for other regulators by encouraging compliance and dealing with non-compliance.**



### 4.3.3 Lockyer Valley – Licence cancelled

A labour hire provider in the Lockyer Valley had its licence cancelled after an LHLCU investigation was conducted following field activities. The strong action taken followed complaints received alleging the licensee was paying 'off the books' and in cash to workers.

At the start of the investigation, the licensee initially supplied to the LHLCU employee records showing taxes and superannuation being correctly paid.

Further investigation revealed that the licensee tried to deliberately mislead and circumvent the requirements of the Act by only reporting workers recorded in their payroll system who had electronic transfer of wages through bank accounts.

Payroll records for up to 20 workers were properly maintained so that, whenever asked for information by the LHLCU or the ATO, the licensee could demonstrate its compliance. At various times, the licensee had another 40 to 70 workers being paid cash, none of whom had tax or superannuation payments made for them.

The licensee also admitted to creating false payslips as a method to pay cash to workers so the workers would not lose their Centrelink payments.

By its own acts and admissions, the licensee failed to comply with multiple relevant laws being the *Superannuation Guarantee (Administration) Act 1992* (Cwlth), the *Payroll Tax Act 1971*, the *Taxation*

*Administration Act 1953* (Cwlth), the *Fair Work Act 2009* (Cwlth) and the *Workers' Compensation and Rehabilitation Act 2003*.

The licence was cancelled and referrals made to the FWO and the ATO.

**Demonstrated impact: The effectiveness of the scheme in disrupting unscrupulous operators (effectively putting them out of business), protecting workers from exploitation and creating a level playing field for all businesses by tackling tax evasion and the operation of the black economy.**



## 5. Prosecutions under the Act

The LHLCU Compliance and Enforcement Policy is published at [labourhire.qld.gov.au](http://labourhire.qld.gov.au). By commencing a prosecution, the LHLCU aims to change the behaviour of the offender and deter future offenders. Prosecutions in appropriate circumstances sends a message to the community that breaches of legislative obligations will be enforced through the courts. Prosecution is a discretionary action with public interest being the dominant factor in the decision to prosecute or not.

To date, every prosecution pursued by the LHLCU has been successful. This is a notable achievement for the LHLCU given it is a relatively new and small regulatory body. During the fifth year of the scheme, several potential prosecution matters are currently under consideration. Legal action has commenced against multiple parties in a variety of locations across Queensland including Mareeba, Atherton, Mackay, Gladstone and Brisbane.



### 5.1 Case Study: Pending prosecution – Security provider

The LHLCU commenced legal action against a South Australian based company that allegedly provided crowd controllers to licensed venues in Mackay, Gladstone and Brisbane without holding a labour hire licence.

Facing court is the company and the company's head of group operations.

The LHLCU began an investigation after a complaint made by a security guard for non-payment of superannuation, which led to the LHLCU investigating the operations of the company and its related companies.

The alleged offences carry maximum penalties of \$400,350 for a company and \$148,637 for an individual under the Act.

The legal action is part of the LHLCU compliance and enforcement plan targeting high-risk issues and industries.

**Demonstrated impact: The ability of the LHLCU to directly respond to complaints and take the strongest action to protect workers from the practices of non-compliant operators.**







## 5.2 Case study: Pending prosecution – Far North Queensland horticultural matter

This is the LHLCU’s first prosecution of an avoidance arrangement, in addition to multiple offences of unlicensed provision of labour hire services in the Mareeba and Atherton Magistrates Courts.

The LHLCU has commenced legal action against a company, an individual trustee, and three individuals for allegedly committing multiple offences against the Act in Far North Queensland.

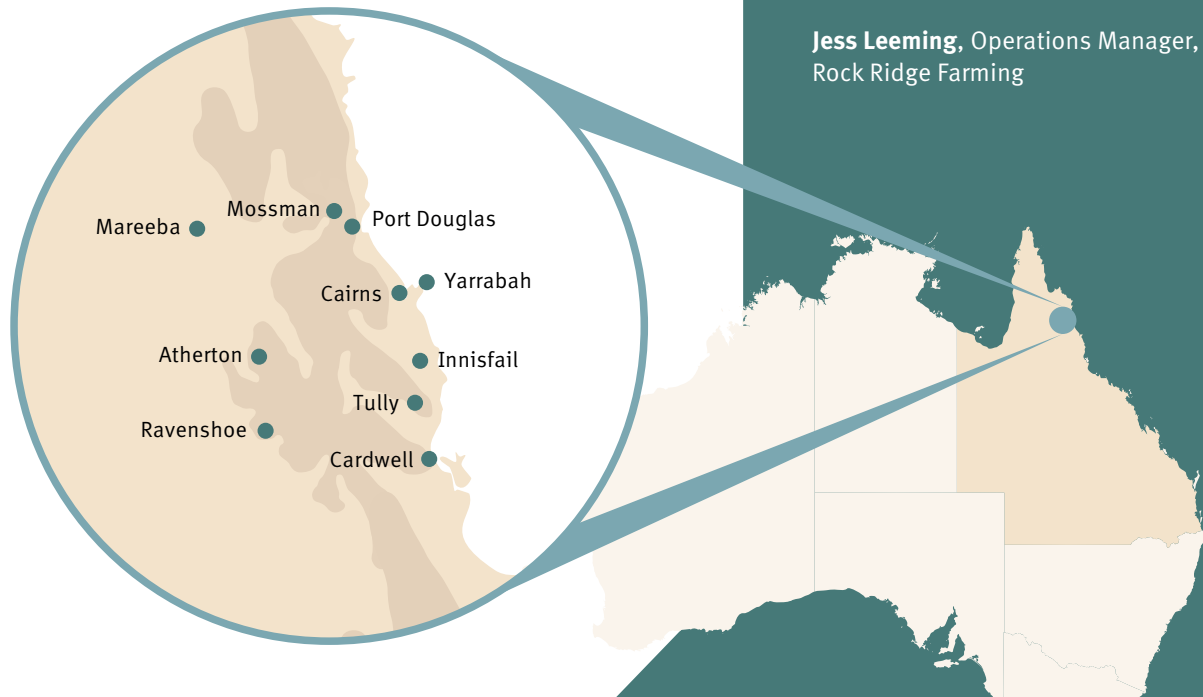
The LHLCU allege offences include:

- providing labour hire services without holding a licence
- entering into an arrangement for the supply of a worker where the person knows, or ought reasonably to know, the arrangement is designed to circumvent or avoid an obligation under the labour hire licensing legislation.

The matter represents the first prosecution to be commenced in the Far North Queensland region and the first to test the operation of a section 12 offence of an avoidance arrangement under the Act.

The alleged offences carry maximum penalties varying between \$400,350 and \$413,550 for a company and between \$137,987 and \$148,637<sup>2</sup> for an individual under the Act.

**Demonstrated impact: The effectiveness of the LHLCU to detect, investigate and take the strongest action against those suspected of deliberately and knowingly avoiding the operation of the labour hire licensing legislation anywhere in Queensland to ensure a level playing field for operators doing the right thing.**



Without utilising labour hire providers within our business over the last five years, we wouldn’t be where we are today. These companies are experts at what they do, and really helped us fill critical labour shortages in our workforce over the years.

It’s great to know that the Labour Hire Licensing Compliance Unit is working to ensure all Queensland providers are licensed and are actively investigating reports of unlicensed operators. They’ve been our first point of contact for any concerns or questions we’ve had.”

Jess Leeming, Operations Manager,  
Rock Ridge Farming

<sup>2</sup> A penalty range is shown as the maximum penalty amount is determined on the dates the offending took place and changes annually due to Consumer Price Index increases.

**IT'S ABOUT**

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### **Contact us**

**Phone (Australia):** 1300 576 088 or after hours call 13QGOV (13 74 68).

**International callers:** +617 3423 9012

**Operating hours:** 9.00am – 4.30pm, Monday-Friday (except public holidays).

**Mail:** Labour Hire Licensing Compliance Unit, Office of Industrial Relations, PO Box 7129, Brendale QLD 4500

