



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

Fourth anniversary report
of Queensland's labour
hire licensing scheme
(1 May 2021–30 April 2022)

1. Executive summary

The Queensland Labour Hire Licensing Scheme (the scheme) has delivered a broad range of achievements, especially during its fourth year of operation. Through the *Labour Hire Licensing Act 2017* (the Act), and the Labour Hire Licensing Compliance Unit (LHLCU), the scheme has continued to protect workers and promote the integrity of Queensland's labour hire industry.

The Queensland Budget 2020-21 provided \$6.1 million over four years from 2020-21 to boost the LHLCU to provide increased services to Queenslanders. The funding provided for eight additional staff dedicated to compliance activities for the scheme. The impact of additional resources is evident in the strong operability of the scheme in its fourth year, demonstrated through successful prosecutions with significant penalties imposed and strict compliance and enforcement activities undertaken.

Although faced with the challenges of COVID-19, the LHLCU continued to meet its mandate of:

- protecting workers from exploitation (particularly demonstrated by prosecutions achieved)
- promoting the integrity of Queensland's labour hire industry (demonstrated by increases in year on year data across all key measures that indicates awareness levels and compliance with the scheme continues to increase).

Over the past four years there have been 19 successful prosecutions, totalling \$1.1 million in penalties imposed. Compliance activities throughout the fourth year (1 May 2021 to 30 April 2022) have resulted in:

- 72 licence applications withdrawn for failure to provide compliance information required to assess compliance with relevant laws
- 16 licence applications refused, as applicants were identified as not being fit and proper to provide labour hire services in Queensland
- 56 licences granted with monitoring conditions
- 24 licences suspended for non-compliance
- 11 licences cancelled for non-compliance
- 646 audits and investigations completed, and 116 complaints resolved
- 4 successful prosecutions including of a business using an unlicensed labour hire provider and its director, and an unlicensed labour hire provider providing workers without a Queensland Labour Hire Licence.



2. Administration of the labour hire licensing scheme – Year 4

The LHLCU delivers a high volume of client services in its administration of the scheme. In the fourth year there was a 33 per cent increase in the number of desk enquiries and criminal history checks (desk enquiries and criminal history checks are completed to vet licence applications to ensure they meet all requirements). This highlighted the sector bouncing back after the impacts of COVID-19 such as international border closures. The LHLCU received 5,884 telephone calls and 4,448 email enquiries.

All new applications are assessed for risk of non-compliance and the appropriate compliance treatment is selected. The risk assessment process

creates a solid foundation for ensuring compliance upon entry into the labour hire industry in Queensland. At application, labour hire providers must satisfy a fit and proper person test, including demonstrating compliance with a range of workplace, taxation and safety laws, and be financially viable. These requirements are ongoing where a licence is granted. As at 30 April 2022, the LHLCU had granted 3,633 labour hire licences. In the fourth year of operation, the LHLCU continued to improve the administration of the scheme, including the efficiency of the licensing process and the degree of scrutiny applied to new applications for a labour hire licence. This will remain a key focus during the fifth year of the scheme.

Headline statistics as at 30 April 2022 (for the period from 1 May 2021 to 30 April 2022)



3. Profile of labour hire licensees

As at 30 April 2022, there were 3,633 labour hire licensees in Queensland, up 6.6 per cent from the third year.

Approximately 70 per cent of active licensees have a principal place of business within Queensland, with 41 per cent having a principal place of business in South East Queensland. Around 28 per cent of Queensland labour hire licensees have a principal place of business interstate.

Figure 1: Profile of active licensees by region for the period 1 May 2021 to 30 April 2022

Region	Number of licences	Per cent of base
Interstate	1,057	28.44
Central Queensland	194	5.22
Darling Downs South West	105	2.82
Far North Queensland	145	3.90
Mackay, Isaac and Whitsunday	421	11.32
North Queensland	115	3.09
North West Queensland	49	1.31
South East Queensland Central	846	22.76
South East Queensland North	214	5.75
South East Queensland South	385	10.36
South East Queensland West	95	2.55
Wide Bay Burnett	90	2.42
Total	3,716	100.00

Figure 2: Number of licensed labour hire providers by region, as at 30 April 2022

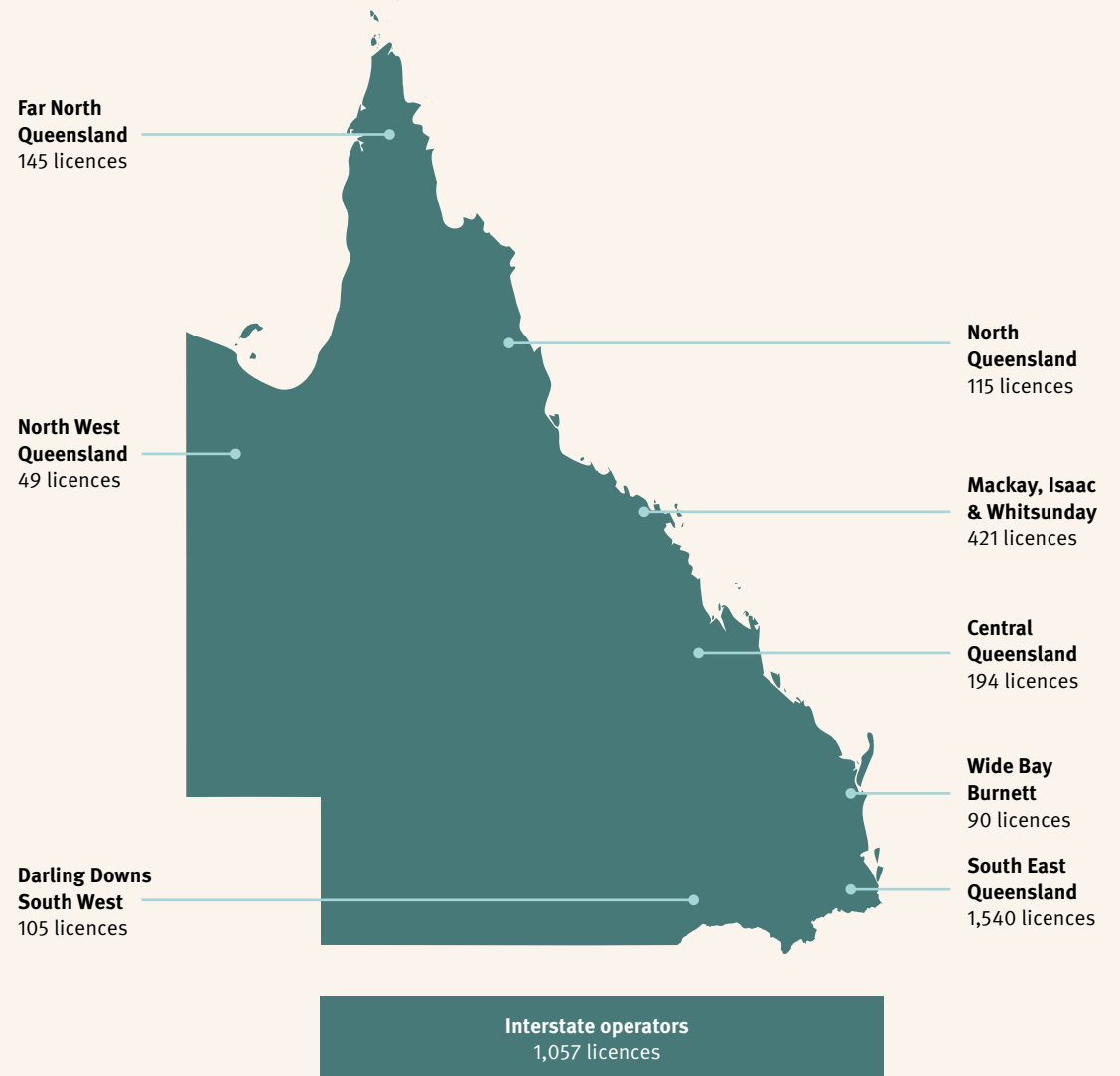
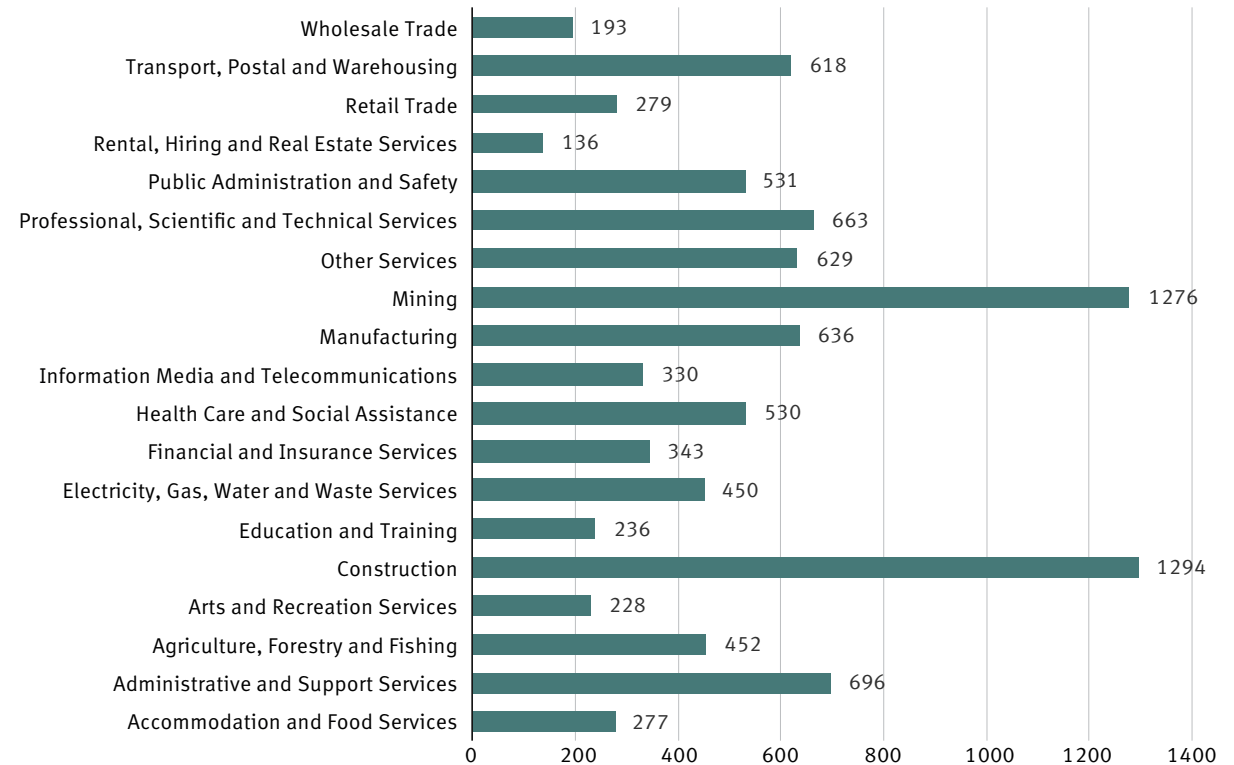


Figure 3: Profile of labour hire licensees by industries supplied to for the period 1 May 2021 to 30 April 2022

Parent industry	Number of licences
Accommodation and Food Services	277
Administrative and Support Services	696
Agriculture, Forestry and Fishing	452
Arts and Recreation Services	228
Construction	1294
Education and Training	236
Electricity, Gas, Water and Waste Services	450
Financial and Insurance Services	343
Health Care and Social Assistance	530
Information Media and Telecommunications	330
Manufacturing	636
Mining	1276
Other Services	629
Professional, Scientific and Technical Services	663
Public Administration and Safety	531
Rental, Hiring and Real Estate Services	136
Retail Trade	279
Transport, Postal and Warehousing	618
Wholesale Trade	193

Figure 4: Licensees by industry supplied to for the period 1 May 2021 to 30 April 2022



Many licensees indicate that they supply in multiple or even all industries. Therefore, the totals shown in Figure 3 exceed the total number of active labour hire licences during the period.

The construction and mining industries still have the largest number of active licensees with both industries having over 1,000 labour hire providers.

Other industries with over 500 labour hire providers include transport, postal and warehousing; public administration and safety; professional, scientific and technical services; other services; manufacturing; health care and social assistance; and administrative and support services.

A similar 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, construction has the largest number of labour hire providers at over 20 per cent of the base, followed by mining (19 per cent) and professional, scientific and technical services (12.4 per cent).

Figure 5: Percentage of labour hire providers in each ANZSIC division, as at 30 April 2022

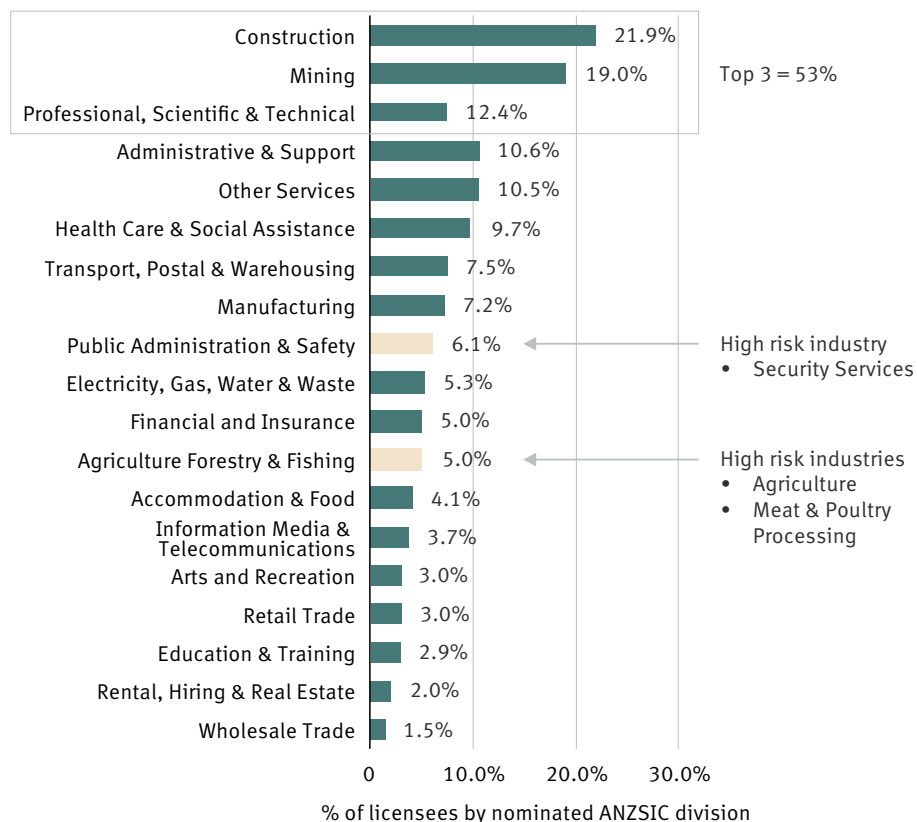


Figure 6: Percentage of labour hire providers in each ANZSIC division

Industry divisions	% by nominated ANZSIC code
Construction	21.9
Mining	19
Professional, Scientific and Technical Services	12.4
Administrative and Support Services	10.6
Other Services	10.5
Health Care and Social Assistance	9.7
Transport, Postal and Warehousing	7.5
Manufacturing	7.2
Public Administration and Safety	6.1
Electricity, Gas, Water and Waste Services	5.3
Agriculture Forestry and Fishing	5
Financial and Insurance Services	5
Accommodation and Food Services	4.1
Information Media and Telecommunications	3.7
Retail Trade	3
Arts and Recreation Services	3
Education and Training	2.9
Rental, Hiring and Real Estate Services	2
Wholesale Trade	1.5

In the scheme's fourth year of operation, license application processes have been strengthened by leveraging data and information from public sources, other regulatory agencies and LHLCU source data to better identify compliance risks and select matters for audit and investigation. This approach also considers attempts to avoid detection by providing incorrect information, or more deliberate attempts by some applicants to misrepresent matters such as the industry and location that workers are supplied to.

4. Trends in key measures over four years of the scheme

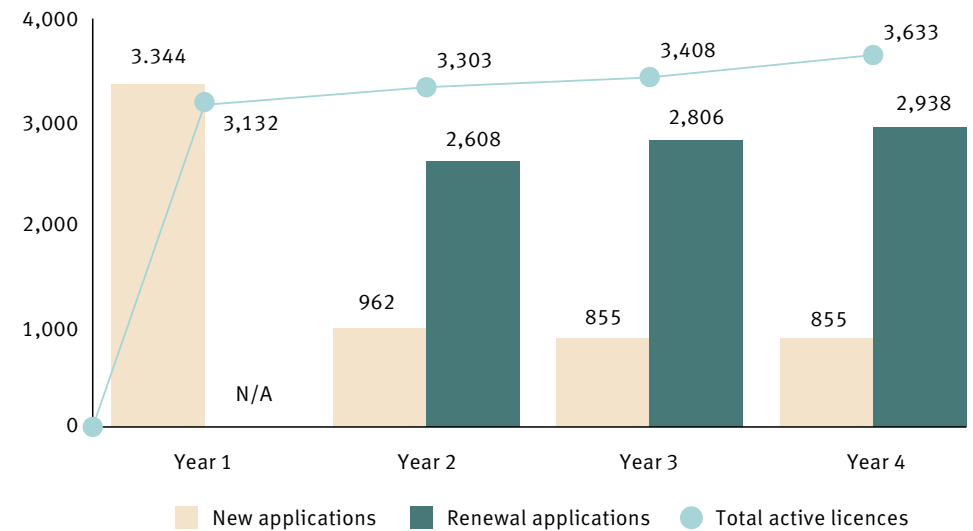
4.1 Trends in licensing over time

As the scheme evolves, licensing trends over time have also changed, mirroring the scheme's progression and maturity.

In the inaugural year of the scheme's implementation, the LHLCU received 3,344 applications for labour hire licences. Of these, 3,132 licences were granted. As anticipated, the first year of the scheme saw the highest number of new licence applications.

In subsequent years, the number of new applications has decreased, with applications received ranging between 855 and 962 annually. Conversely and as expected, the annual renewal applications for licences saw an increase from 2,608 received in the second year to 2,938 received in the fourth year, marking an approximate growth of 13 per cent.

Figure 7: Trends in licence applications and renewals

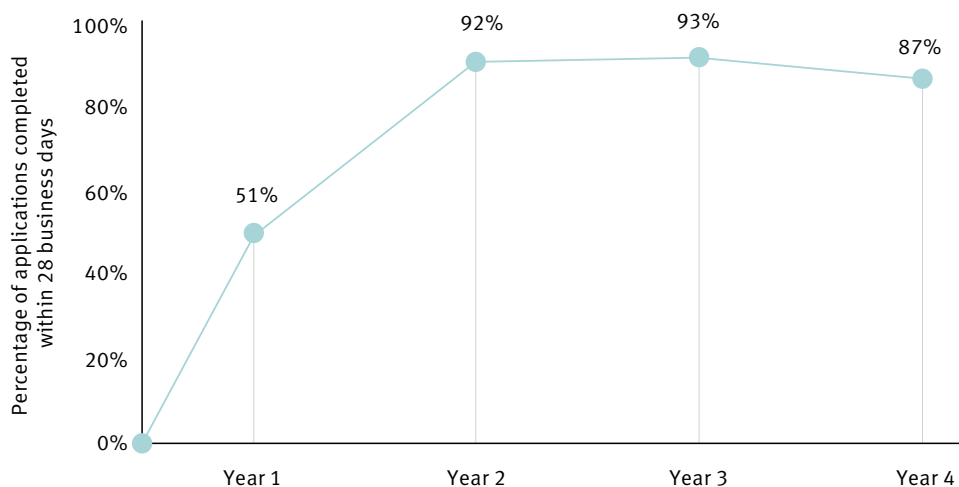


4.2 Trends in processing applications

The LHLCU typically processes and completes low-risk licence applications within 28 business days. For applications that are more complex or require additional information, a longer period may be required to reach a decision. Following the first year of implementation, the LHLCU has consistently processed and completed 87 per cent of applications within the 28 business day timeframe.

During the fourth year, the LHLCU has continued to seek improvements in the efficiency of the licensing process to achieve the right balance in the scrutiny applied to labour hire licence applications. As a result, the proportion of applications finalised within 28 business days has increased from 51 per cent in the first year to 87 per cent in the fourth year. From year 2 to year 4, on average 91 per cent of all applications received were completed within 28 business days. This demonstrates ongoing efficiency in the processing of labour hire licences by the LHLCU.

Figure 8: Trends in the processing of applications



¹ Either by reporting as required, or surrendering the licence (15).

4.3 Trends in reporting compliance over time

Licensees are required to report on a six-monthly basis under the scheme. As the scheme matures and the LHLCU continues to improve awareness of the scheme, licensees have continued to improve their compliance with the six-monthly reporting obligations.

When reports are not received by the due date, licensees receive reminders via emails and calls. Where there is non-compliance with reporting, the LHLCU commences a process that may result in licence suspension. In some cases of significant non-compliance and failure to report, a licensee may have their licence cancelled.

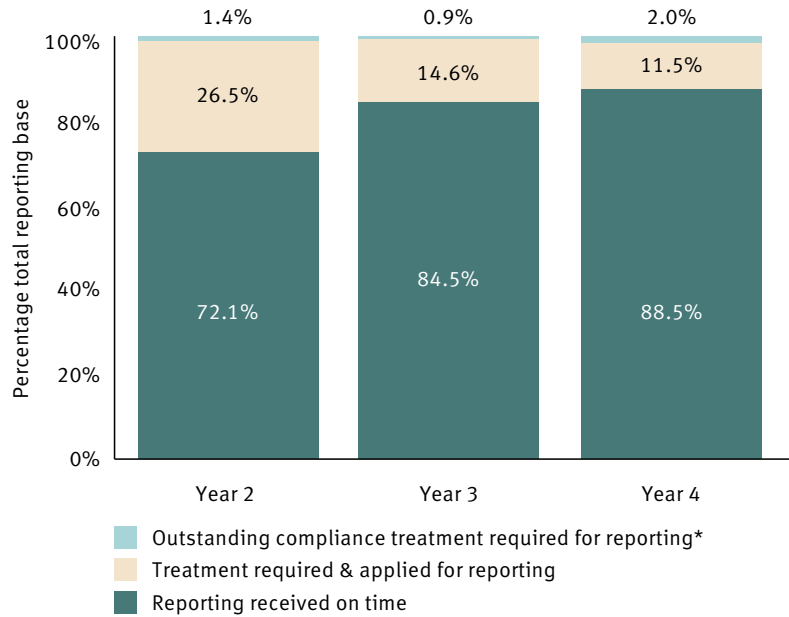
There were 6,292 six-monthly reports received on time (without reminders) in the fourth year. This represents 86.5 per cent of the total reports due, an increase from 84.5 per cent in the third year.

Where reports are not received by the due date, licensees receive further manual email and call reminders. This treatment was applied to 982 reports and resulted in a further 813 (11.17 per cent) licensees becoming compliant.¹ Therefore, 91.14 per cent of licensed operators complied with their reporting obligations without the need for firmer compliance action (e.g. suspension).

As a result of the trend in reporting obligations, the number of licences that have been cancelled or suspended for failing to report has decreased. There were 24 licences suspended for failure to report as required during the year. In these cases, the suspension power is used to influence compliance. As a result of suspensions, 10 licensees rectified their non-compliance with their reporting obligations by lodging the relevant report. This year, only four licensees had their licences cancelled for failing to comply with their reporting requirements.

As shown in Figure 9, there has been a reduction in the need to apply treatments for reporting non-compliance. In year 2, 26.5 per cent of licensees required treatments be applied to reporting requirements compared to 11.5 per cent in year 4. Figure 9 also shows an increasing proportion of licensees voluntarily submitting their reports on time. This indicates an improvement in process efficiency and communications by the LHLCU, and as a result, improved compliance by licensees.

Figure 9: 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.

4.4 Trends in audits and investigations

The LHLCU conducted 755 audits and investigations in the fourth year of the scheme. As shown in Figure 10, this is an increase from the 360 audits and investigations in year 1 of the scheme. This represents a 110 per cent increase in audit and investigation activity since the scheme commenced.

This increase is attributed to additional funding allocated in the Queensland Budget 2020-21 providing \$6.1 million over four years from 2020-21 to boost the LHLCU to provide increased services to Queenslanders. The funding provides for an additional eight staff members dedicated to compliance activities for the scheme. These additional resources led directly to an increase in audits and investigations, which has been instrumental in informing the use of firm compliance actions to address non-compliance in the labour hire industry in Queensland.

Figure 10: Trends in audits and investigations



4.5 Trends in compliance actions

While compliance work in high-risk industries such as horticulture and food processing is ongoing (given significant evidence of worker exploitation), an improved risk assessment approach has enabled further compliance activities in other industries by more accurately identifying high-risk matters for further inquiry. All complaints are triaged, assessed and investigated as appropriate.

The fourth year of the scheme has seen an improvement in compliance by applicants and licensees. While compliance activity (number of audits, investigations and complaints finalised) was up 1.75 per cent, resultant compliance actions were down from year 3.

The noteworthy trend observed in Figure 11 is the 84 per cent increase in the number of licences being granted with conditions from year 3 to year 4 of the scheme. This reflects an increasing pattern of the LHLCU working with applicants who demonstrate a willingness and capacity to comply (notwithstanding some past non-compliant behaviour).

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. As a result of the above:

- refusals of licence applications were down 50 per cent
- suspensions were down 66 per cent
- cancellations of licences were down 61.3 per cent.

The LHLCU actively seeks opportunities to engage with stakeholders and provide education on the requirements of the scheme. Additional resources recruited during 2021 enabled increased education and engagement in the fourth year of the scheme. The LHLCU focuses on providing timely and comprehensive information to support licensees and users in meeting their obligations under the Act. This resulted in improvements in compliance activity (as demonstrated by a decrease in suspensions and cancellations of licences).

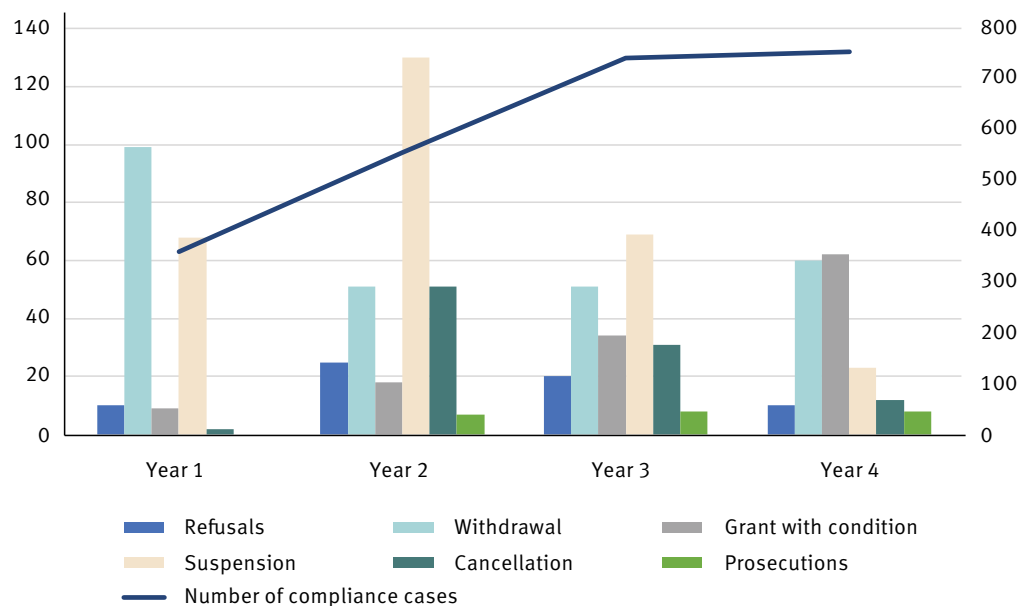
The LHLCU continues to focus on education and plans to conduct a compliance campaign in the high-risk security industry to increase knowledge of the requirements of the scheme. Stakeholder engagement and education activities have commenced and will be followed by:

- targeted risk-based audits of applicants and licensees
- joint work with other federal, state and local regulators
- investigation of unlicensed providers and users of labour hire in the security industry in the fifth year of the scheme.

Figure 11: Year on year comparison of compliance actions

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

Figure 12: Year on year comparison of compliance actions



5. Case studies

Intelligence, data sharing and joint activities with federal, state and local government regulators across all industry sectors have continued in the fourth year of the scheme. The LHLCU regularly collaborates with agencies such as the Australian Taxation Office (through the Phoenix Taskforce), Australian Border Force, WorkCover Queensland, the Fair Work Ombudsman and the Victorian Labour Hire Licensing Authority. The LHLCU shares data and intelligence as permitted by law, conducts joint activities, and plays a role in developing and implementing joint strategies to disrupt and deter non-compliant operators in Queensland's labour hire industry with these and other agencies. The following case studies demonstrate the significant compliance outcomes and engagement achievements conducted by the LHLCU in the fourth year of the scheme.

5.1 Work with the Phoenix Taskforce

Phoenix risk identification within the Queensland labour hire population

The Australian Tax Office (ATO) has analysed the Queensland labour hire population and provided intelligence about phoenix risks within that population. The analysis is used to profile risk and determine appropriate targets for investigation regarding compliance with relevant laws and financial viability. It also enables joint approaches to managing phoenix risk to be developed with taskforce members.



5.1.2 Case study: Work with the Phoenix Taskforce

The ATO and Queensland's LHLCU work collaboratively through the Phoenix Taskforce to detect, deter and disrupt those suspected of promoting or engaging in illegal phoenix activity—which is when a company is liquidated or abandoned to avoid paying its debts and a new company is started to continue the same business activities without the debt.

Refusal of a labour hire licence in the security industry

An application for a Labour Hire Licence was received from a former provider whose licence had expired. The analysis conducted by the Phoenix Taskforce identified persons associated with the security business as high risk for phoenix behaviour. The application was selected for audit given the risks identified.

The audit established that the actions of the company aligned with the practice of phoenixing (i.e. setting up a new business to carry on operations of a liquidated company to avoid paying the debts of the insolvent company). Further, the company was found to be under the control, or substantial influence of, an unfit individual (a shadow director). The company also omitted an executive officer in their application in an attempt to hide the connection between that person and a registered company which had become insolvent with significant outstanding debts.

During the audit, the company was found to be supplying workers without a licence which is an offence under the Act. As a result, the LHLCU issued a warning and instructed the applicant to stop supplying workers while unlicensed. Despite the warning, the company continued to supply workers without a current licence or adequate WorkCover plan.

The applicant was given an opportunity to provide information, but their response did not satisfy the LHLCU that it was appropriate to grant the licence. As a result, the:

- applicant was found not to be a fit and proper person to provide labour hire services
- labour hire licence application was refused
- provider is no longer permitted to provide workers in Queensland.



5.1.3 Case study: Work with the Phoenix Taskforce and Queensland Police Service (QPS) – Refusal of a labour hire licence in the security industry

An application for a Labour Hire Licence was received from a provider supplying security guards including crowd controllers to licensed venues.

As a result of QPS involvement, several other persons and entities associated with the provider were identified. This resulted in referrals and information being shared to relevant agencies about other unlawful conduct that was discovered as part of the audit. Information received from the ATO through the Phoenix Taskforce demonstrated significant non-compliance with taxation and superannuation laws relating to employees under at least eight different entities. This included a previously licensed security company with total debts to the ATO of approximately \$14 million. As a result, the:

- applicant was found not to be a fit and proper person to provide labour hire services
- licence application was refused
- provider is no longer permitted to provide workers in Queensland.

Demonstrated impact: The effectiveness of the scheme in ensuring a level playing field for all businesses by tackling illegal phoenix activity, tax evasion and the operation of the black economy.



5.2 Risk in supply chains

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.

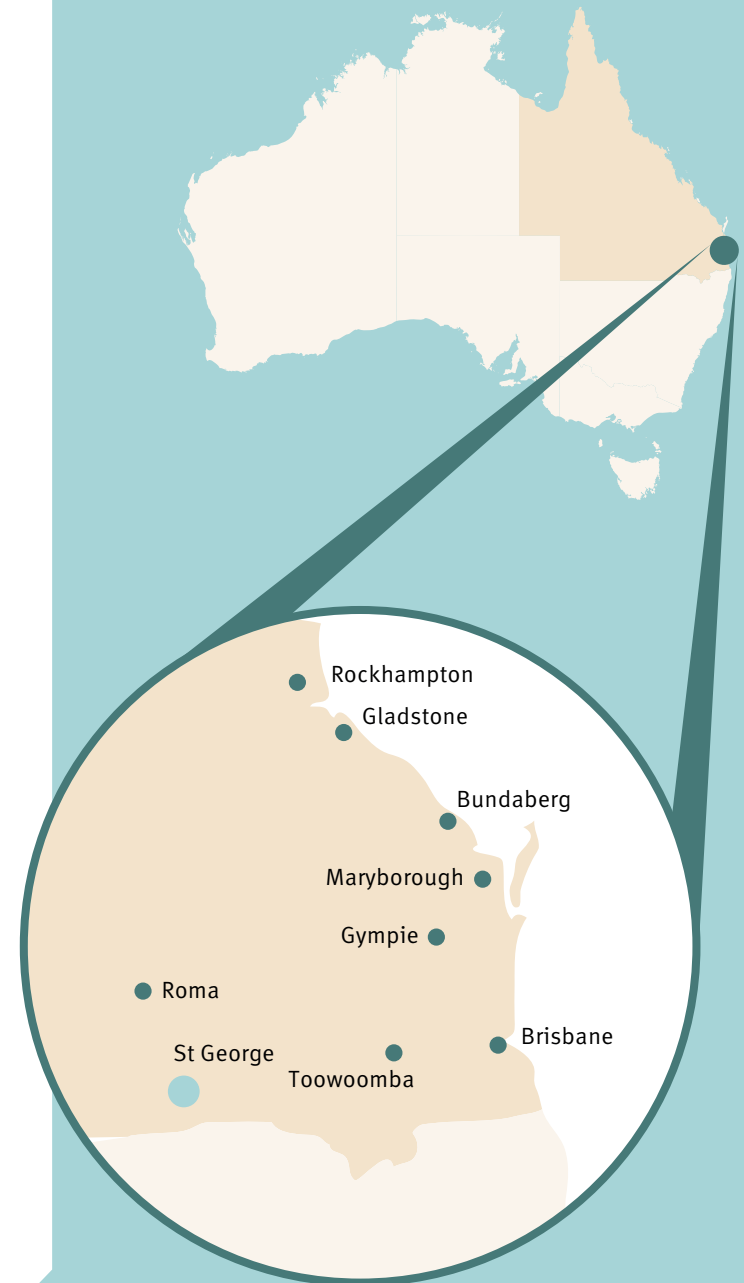
Since commencement, there have been multiple instances where the LHLCU has been able to identify and refuse, withdraw or cancel the applications or licences of providers operating within supply chains.

5.2.1: Case study – Cancellation of a licence in a horticultural supply chain

A labour hire provider in St George had its licence cancelled after a LHLCU investigation. The investigation found that the licensed labour hire provider was using an unlicensed labour hire provider. This is an offence under the Act as all entities in a supply chain must be licensed to operate in Queensland. As a result, a key benefit of the scheme is the improved visibility it brings within supply chains.

Further, a person who previously withdrew from an audit for an application for a licence was found to be involved in the running of the business. The investigation established that the licensed labour hire provider set up the business for the individual to run and circumvent the operation of the Act (and any assessment of their fitness and propriety).

Demonstrated impact: The ability of the LHLCU to identify and remove providers operating unlawfully within supply chains.



5.2.2: Case study – Refusal of a licence in a horticultural supply chain

A complaint was received about an unlicensed labour hire provider supplying workers to a farm in the Stanthorpe area. After being contacted by the LHLCU, the provider made an application for a labour hire licence which was subsequently audited. The audit uncovered evidence of ongoing and widespread unlicensed supply to multiple farms nearby, as well as the use of an unlicensed sub-contractor. Discrepancies in the director's explanation of why an application had not been submitted earlier, which farms they were supplying to and how long this had been going on, led to the application being refused, and education and warnings provided to growers in the region.

Following the cancellation of the licence, both companies (the licensed and unlicensed providers) were deregistered by the Australian Securities and Investments Commission and no longer provide labour hire services in Queensland.

Demonstrated impact: The ongoing capacity of the LHLCU to directly respond to complaints and take strong action to protect vulnerable workers from exploitation.

In both case studies, the growers who used the licensed and unlicensed labour hire providers were unaware that unlicensed sub-contractors had been used. Education and, where appropriate, warnings have been provided to growers across Queensland about identifying supply chains.

Key recommendations made to growers included:

Prior to entering an arrangement with a labour hire provider (LHP)

- Check the online [register](#) and ensure the business is licensed.
- Take note that you can't use a business with only an application on the [pending applications list](#).
- When you click on the registered business
 - Note the names of the people put forward as running the business including any 'executive officers' and/or 'nominated officers'.
 - If the person approaching you is not one of those people, you should check their authority to act on behalf of the LHP and/or enter into a contract.
 - Ask to see an identity document.
 - Contact the 'nominated officer' on the register using the telephone or address shown, to satisfy yourself that the person or business is the licensed provider.
 - Contact the LHLCU on **1300 576 088** if you are concerned or have any doubts about the identity of the business you are dealing with.
 - Keep a record of all checks made and the date/s conducted.
- Once you have verified the status of the provider, enter into a **written** contract with your provider that properly identifies who they are (contains director identification, Australian Business Number and names).

- Have clear contract clauses with clear expectations of the provider, including an obligation to advise of any changes to the office holders of the business, an obligation to advise of any change to licence status, and an obligation to advise of any sub-contracting arrangements in place (know the supply chain).
- Consider limiting the provider's ability to sub-contract (visibility of the supply chain).
- Check contract terms are sufficient to ensure workers are paid correct entitlements and set clear expectations that the provider must comply with workplace laws.
- Ensure mutual occupational health and safety obligation are met.

After entering an arrangement with a labour hire provider

- Use the labour hire [register](#) to periodically check the licence of your provider.
- Conduct regular checks of your labour hire provider to verify time and wages, including super entitlements of workers, and ensure records are accurately maintained.
- Maintain a list of all workers on your site.
- Conduct regular check-ins with workers supplied by labour hire providers.
- If contract documentation, invoices, and/or emails appear to originate from a business other than the licensed business with which the arrangement was made, ask questions. Contact the LHLCU if you have any concerns.

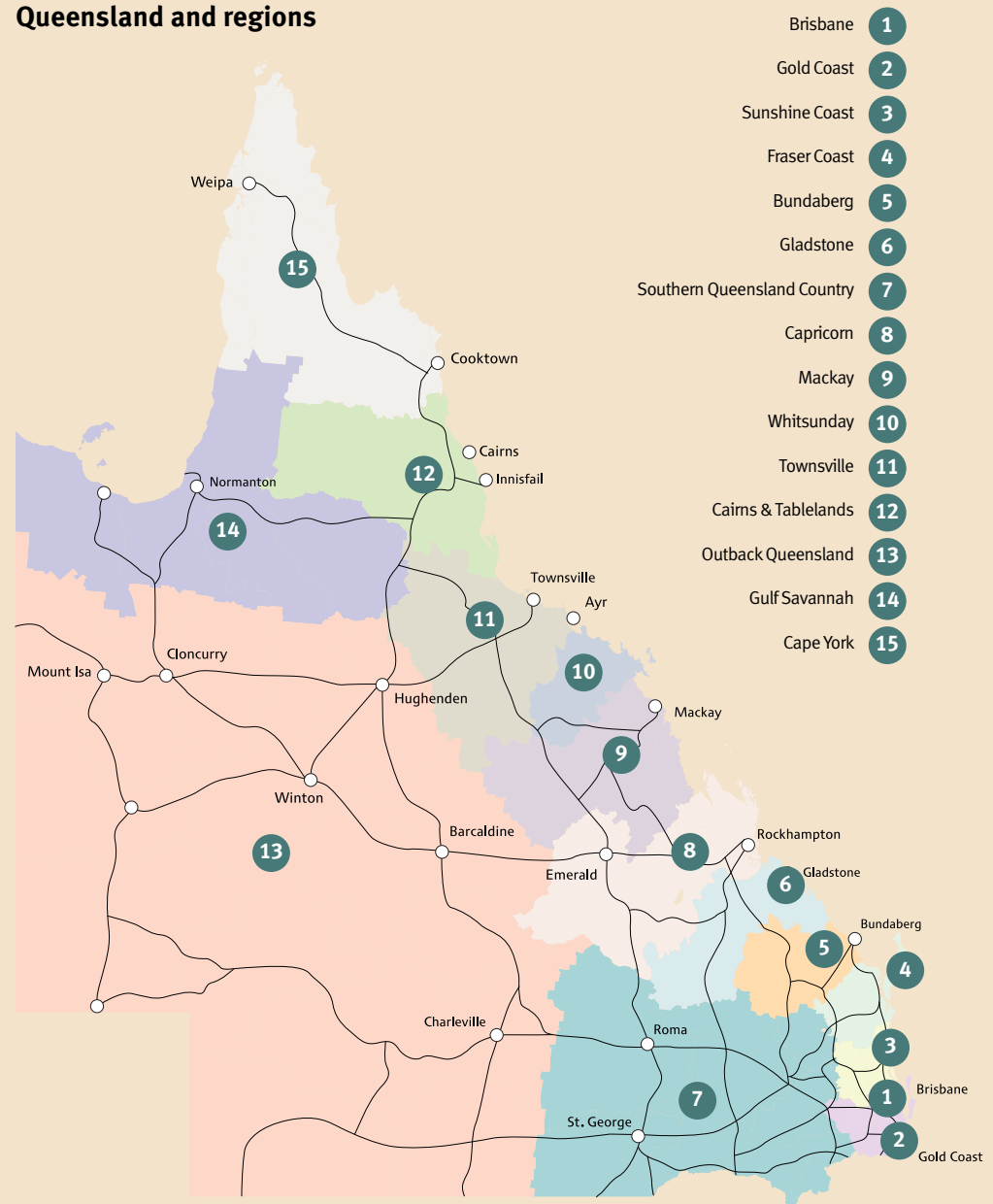
5.3 Joint operations and engagement

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.

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 ABF to ensure that licensees are compliant with their migration obligations and to detect and deter exploitation of foreign national workers.

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. The LHLCU can deter and disrupt such behaviours by sending a strong message to providers that they will be found and held accountable for their behaviours. By continuing to have high visibility throughout Queensland, the LHLCU benefits by increasing its credibility, trust and reputation as the regulator.

Queensland and regions



5.3.1 Case study: Joint activities in the Caboolture region

Since commencement, the LHLCU together with WorkCover Queensland 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 the fourth year of the scheme, the LHLCU again spoke to workers, gathered intelligence about labour hire providers and engaged with the growers about the season.

In comparison with previous campaigns, the LHLCU observed higher levels of direct employment, smaller numbers of labour hire providers overall and better compliance by those labour hire providers operating during the strawberry season.

The improvements observed may also be partly attributed to the ongoing impacts of COVID-19 (e.g. critical labour shortages) and growers increasingly becoming Approved Employers under the Seasonal Worker and Pacific Labour schemes to source labour. This will remain a key focus during the fifth year of the scheme.



5.3.2 Case study: Working tourist safety forum, Bundaberg

Ensuring the safety of working tourists, seasonal workers and backpackers to the Bundaberg region is the focus of 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 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.

During year 4 and following regular attendance at the Working Tourist Safety Forum in Bundaberg, WCQ and LHLCU conducted a targeted campaign in the Wide Bay region given ongoing issues raised at the forum. Farm visits, accommodation inspections and stakeholder engagement followed leading to education being provided to labour hire providers and users regarding required standards.



5.3.3 Case study: Awareness and engagement in Goondiwindi and Texas with the Department of Employment, Small Business and Training (DESBT)

The LHLCU attended the Building Business Resilience workshop program (part of the Farm Business Resilience Program), a community event hosted by DESBT in Texas and Goondiwindi. The region hosts many seasonal and migrant workers for harvest, shearing and picking throughout the year. The opportunity provided by DESBT enabled visibility and engagement for the LHLCU in the Darling Downs South West Region leading to an increase in intelligence received from that region.

5.3.4 Case study: Joint activities in meat processing industry in Kilcoy with ABF

The LHLCU joined the ABF-led field operation targeting employer (user) awareness in the meat processing industry by visiting a meat processing plant in Kilcoy and providing education.

The poultry and meat processing industry is a high-risk industry. The LHLCU has previously uncovered significant non-compliance issues including unlicensed providing within the industry which led to more than \$300,000 in fines imposed on the employer (user) and unlicensed labour hire providers.

5.3.5 Case study: Awareness and engagement through 'Fair Go For Farm Works', Mareeba Forum

As established labour plays a key role in the Australian horticultural industry, ensuring workers are protected and labour hire providers are fit and proper, and compliant with a range of relevant laws is paramount to the industry. Providing education and engaging with stakeholders regularly is an ongoing key component of the work of the LHLCU, and is demonstrated by its attendance at events including the Retail Supply Chain Alliance's (RSCA) 'Fair Go for Farm Workers' forum held in Mareeba.

The RSCA is comprised of the three key industry supply chain unions: the Australian Workers' Union, the Transport Workers' Union and the Shop, Distributive and Allied Employees' Association. Coles entered into an accord with the three RSCA unions to end exploitation in the agricultural sector.

It was estimated approximately 200 people were in attendance at the forum, including advocates for seasonal workers, church groups, growers and licensed labour hire providers. The LHLCU acknowledged the benefits from the forum in terms of stakeholder engagement and education and advocacy of ending worker exploitation.

5.3.6 Case study: International collaboration – International Organization for Migration, United Nations

The LHLCU was invited to liaise with the International Organization for Migration at the United Nations to review proposed content related to the Queensland scheme.

The Queensland scheme was to be included in an upcoming publication on a 'snapshot case study' on recruitment regulation. This opportunity allowed the LHLCU to showcase Queensland's activities and accomplishments on a broader stage.

Demonstrated impact: Ability of the LHLCU to continue to develop relationships with other agencies and regulators both within Australia and internationally.

6. Prosecutions under the Act

The scheme's audit and investigation levers are very effective, resulting in successful prosecutions. The scheme has achieved a record high number of prosecutions in the four year period since its commencement. This reflects the effectiveness of a new regulatory unit in enforcing new legislation.

In the four years of the scheme's operation, 19 prosecutions have been successfully pursued with approximately \$1,125 million imposed in penalties to date. This is a notable achievement for the LHLCU given it is a relatively new and small regulatory body.





Case Study 6.1: Prosecution – Better Crop Management Pty Ltd

Better Crop Management Pty Ltd (Better Crop), its director, Rodney Parker, and another individual, Joseph Zappia, were convicted and fined almost a quarter of a million dollars in the Ipswich Magistrates Court on 15 September 2021 for multiple breaches of the Act.

For using an unlicensed labour hire provider to supply pickers to harvest onion crops in 2019, Better Crop was fined \$120,000. Mr Parker was also convicted as a party to that offence and fined \$75,000, while Mr Zappia’s penalty for providing labour hire workers without a licence was \$50,000.

The court action followed a raid on a Harrisville property by officers from the LHLCU and the ABF who had been tipped off by a member of the public about farm workers being mistreated. The ABF supported the joint enforcement activity with the LHLCU.

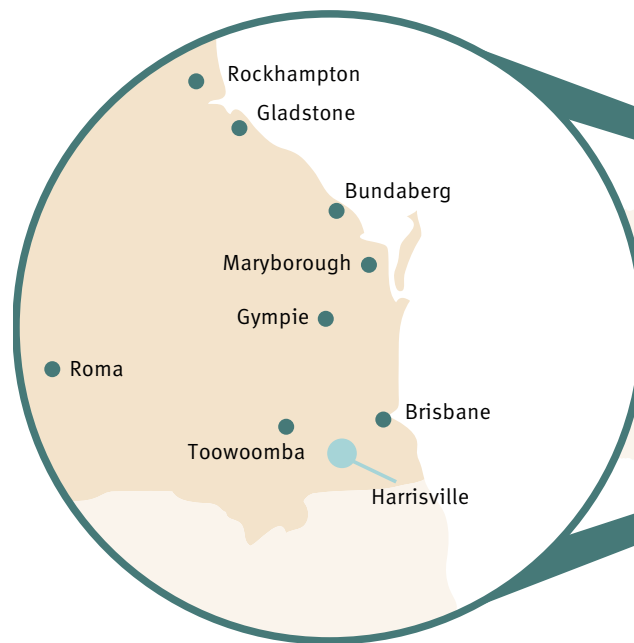
Following the operational activity, the ABF also issued two Employer Sanction Infringement Notices under the *Migration Act 1958* to two entities for referring and allowing illegal workers to work on the farm.

Mr Zappia did not hold a labour hire licence in Queensland, but still illegally provided labour to Better Crop by fraudulently using the licence of another provider.

In sentencing, Magistrate Leanne Scoines noted the defendants openly flouted the law, which was intended to protect vulnerable workers. Additionally, they acted fraudulently and in concert, and Better Crop used labourers who weren’t eligible to work in Australia.

The ABF and LHLCU continue to work collaboratively to deter and disrupt foreign worker exploitation in Australia.

Demonstrated impact: The ongoing ability of the LHLCU to work with other government agencies and regulators to share information and conduct joint enforcement activities to detect, deter and disrupt non-compliant operators in the horticultural industry.





Case Study 6.2: Prosecution – Marcico Pty Ltd

Marcico Pty Ltd (Marcico) was found guilty and fined \$60,000 on 14 December 2021 for providing labour hire services to a Bowen farm without a licence.

The prosecution told the court the defendant was fully aware of the licensing requirements having twice made an application for a licence. The company was also specifically advised not to provide labour hire services while its application for a licence was being considered. Investigations by the LHLCU revealed Marcico's conduct in breaching the law was ongoing and resulted in a significant turnover for the business.

The offending occurred between 22 November and 19 December 2019 when Marcico provided workers for a fruit and vegetable farm in Bowen. At the time, it did not hold a licence with its second application also refused in July 2020.

In sentencing, Magistrate James Morton noted the defendant had openly flouted the law, deliberately and knowingly conducted their labour hire service, and made false representations that they were licensed. Additionally, an audit process was undertaken which did not deter the unlicensed labour hire provider from breaching the Act.

Demonstrated impact: The effectiveness of the scheme to level the playing field for legitimate providers who do the right thing.



IT'S ABOUT

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