

VICTORIA LABOUR HIRE Licensing Scheme

What you need to know

Victorian labour hire providers had until 29 October 2019 to apply for a Labour Hire Licence in order to continue operating in the state. Your business may be classified as a labour hire provider under this scheme, and it's important you understand your obligations so as to remain compliant with Victorian labour laws and avoid penalties.

Why was a Labour Hire Licensing Scheme introduced?

The Licensing Scheme has been developed to stop the exploitation and mistreatment of workers, support legitimate labour hire operators and protect users of labour hire organisations. In April 2018, a similar scheme was introduced into Queensland.

Which businesses need to apply for a Labour Hire Licence?

Businesses must hold a Labour Hire Licence if they:

- Supply one or more individuals to another person [business]; and
- Make a payment to the worker – either to cover wages or a part payment (e.g. to cover accommodation costs or a meal allowance)
- Are a company with more than 2 directors; or
- A company with only two directors but neither of the directors are involved in delivering the services. So for example, the company supplies an employee who is not a director, to provide services.

What are the regulations labour hire providers need to comply with?

The laws will require labour hire providers to:

- Pass a fit-and-proper person test to establish that they comply with all relevant laws and that the business is financially viable;
- Comply with workplace laws including; taxation, superannuation, OH&S, workers' compensation, migration laws and accommodation standards; and
- Provide annual reports to the regulator including; information on the number, type, industry, pay and conditions of workers supplied.

A large white letter 'Q' inside a black speech bubble, representing a question.A large white letter 'A' inside an orange speech bubble, representing an answer.

What do you need to do?

If you are classified as a labour hire provider under the scheme and don't already have a licence, you need to apply for one immediately before starting or continuing to operate. There are significant penalties for anyone who operates without a licence and penalties for businesses using unlicensed labour hire companies.

You should consider seeking legal advice to understand your obligations.

Visit <https://labourhireauthority.vic.gov.au> for more information relating to the Labour Hire Licensing Act 2018.

If you have any questions about Labour Hire Licensing please email enquiries@entitysolutions.com.au.



CHECKLIST FOR LABOUR HIRE USERS

- ✓ Seek legal advice; this FAQ is for general information only
- ✓ Speak to your Legal & Compliance team and other relevant parts of your business about labour hire, so they understand how it works
- ✓ Review your own labour hire suppliers and make sure they are aware of the requirements
- ✓ Review supplier agreements and consider including the requirement of a licence as a condition in the supplier agreement
- ✓ Identify a way to manage collection of licences for all your labour hire providers
- ✓ Stay up-to-date with all Victoria labour hire news on <https://labourhireauthority.vic.gov.au/>

CHECKLIST FOR LABOUR HIRE PROVIDERS

- ✓ Seek legal advice; this FAQ is for general information only
- ✓ Speak to your Legal & Compliance team and other relevant parts of your business about labour hire, so they understand how it works
- ✓ Review your own labour hire suppliers and make sure they are aware of the requirements
- ✓ Stay up-to-date with all Victoria labour hire news on <https://labourhireauthority.vic.gov.au/>