



**A M W U**

## **Australian Manufacturing Workers' Union**

Submission to the Finance and Administration  
Committee in relation to the  
*Labour Hire Licensing Bill 2017*

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**Enquiries:**

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## Executive Summary

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1. The Australian Manufacturing Workers' Union ("AMWU") is a trade union which has membership of approximately 17,000 workers employed in manufacturing jobs throughout Queensland. The AMWU, as known on a collective and public basis, is made up of the Automotive, Metals, Engineering, Printing and Kindred Industries Industrial Union of Employees, Queensland (the state registered Union) and the "Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union" known as the Australian Manufacturing Workers' Union (AMWU) (the federally registered Union). This submission is made on behalf of the AMWU's Queensland and Northern Territory Branch.
2. The AMWU represents workers in major sectors of the Queensland economy, including the manufacturing sectors of vehicle building and parts supply, engineering, printing, paper and packaging products. Our members are engaged in maintenance services work across all industry sectors. We cover many employees throughout the resources sector, mining, aviation, aerospace and building and construction industries. We also cover members in the technical and supervisory occupations in engineering and across diverse industries. The AMWU has members at all skill/classification levels from entry level to degree. The AMWU membership includes workers engaged by labour hire providers.
3. The AMWU provided a comprehensive Submission to *the Inquiry into the Practices of the Labour Hire Industry* to the Finance and Administrative Committee on 7 April 2016. The AMWU seeks for the aforementioned Submission to be read in conjunction with this Submission. The AMWU's Submission to the Parliamentary Committee clearly and unequivocally articulated the dire need for regulation of the industry. Moreover, the Submission contained a number of proposals with respect to ways in which the industry needs to be regulated, most specifically in relation to the licensing of labour hire providers.
4. The AMWU welcomes the opportunity to provide a submission to the Queensland Parliament's Finance and Administration Committee in relation to the *Labour Hire Licensing Bill 2017* ("the Bill"). The AMWU congratulates the Palaszczuk Government for taking decisive steps to introduce a Bill that protects workers from exploitation by providers of labour hire services, and promotes the integrity of the labour hire industry.
5. The AMWU is an affiliate of the Queensland Council of Unions ("QCU"). The AMWU supports and adopts the QCU's Submission filed with respect to this matter.

## Regulation of the Labour Hire Industry in Queensland

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6. The AMWU, both at Queensland and National level, has been a strong proponent for the regulation of the labour hire industry for many years. In short, the industry must be regulated through a robust and effective licensing system.
7. The Finance and Administration Committee's *Inquiry into the Practices of the Labour Hire Industry in Queensland* held last year, heard chilling evidence of exploitation and mistreatment of labour hire workers in Queensland and widespread unlawful conduct by labour hire providers. Clearly the labour hire industry in Queensland has been unable, and/or unwilling, to regulate itself. The introduction of a licensing scheme in Queensland is therefore required and necessary.
8. The AMWU's submission to the Inquiry detailed clear evidence of the use of labour hire in Queensland to drive down wages and conditions. Moreover, labour hire is also used to "replace" permanent workers with cheaper labour engaged on a precarious and casual basis.
9. The AMWU strongly supports the introduction of a licensing scheme in Queensland, and congratulates the Palaszczuk Government for being the first government to introduce legislation of this kind in Australia. The introduction of the Bill clearly and unequivocally demonstrates the Palaszczuk Government's commitment to working people and their families in Queensland. Further, it acknowledges that labour hire workers are indeed vulnerable and require protection.
10. The AMWU submits that:
  - a. The Bill provides for a simple system of regulation. The licensing scheme will ensure the integrity of labour hire providers. Relevantly, the Bill provides for and ensures that workers engaged by labour hire providers are done so by businesses that have demonstrated legislative compliance, are financially viable and are operated and controlled by fit and proper persons;
  - b. The AMWU strongly supports the inclusion of Group Training Organisations within the meaning of *provider* and *labour hire services*. GTO's are unequivocally labour hire providers, and most certainly need to be captured by this legislation;
  - c. Decent and law abiding labour hire providers have nothing to fear from the licensing scheme. The licensing of labour hire providers is premised upon evidence of legislative compliance (or ability to comply for new operators), of which all employers, including labour hire providers are already required to adhere to. Labour hire workers are amongst some of the most vulnerable workers employed in Queensland. The importance of ensuring legislative compliance, including workers' compensation and work health and safety, is desperately needed to ensure these workers are no longer treated as second class citizens in the workforce;
  - d. The penalties for prohibited conduct are appropriate and provide an effective deterrent to non-compliance in respect of both labour hire providers, and those businesses engaging the services of labour hire providers;

- e. The licensing scheme is premised upon a fair and reasonable test with respect to fit and proper persons;
- f. The scheme will ensure that dodgy labour hire providers, including those who engage in phoenixing arrangements, are exposed and not provided with licenses to operate. We should not shy away from the fact that the regulatory system will ensure that dodgy operators are stamped out;
- g. The Bill provides for appropriate reporting arrangements, including the nature of the matters to be reported. Further, the AMWU strongly supports the requirement for regular and systematic reporting by labour hire providers;
- h. The licensing fees set for the scheme must be appropriate and proportionate to the size of the labour hire provider's operation;
- i. It is vitally important that the regulatory system for labour hire providers is effective and robust. In order for the industry to be properly regulated, the scheme must be well resourced with an active inspectorate to ensure compliance; and
- j. The AMWU notes that due to jurisdictional limitations, the Queensland Parliament is constrained in certain areas with respect to the regulation of labour hire. To this end, a national regulatory system must also be established.

## Conclusion

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- 11. The AMWU reiterates its strong support for the Bill, and congratulates the Palaszczuk Government for being the first government in Australia to introduce legislation to regulate the labour hire industry. This Bill is the first important step in regulating labour hire and ensuring labour hire workers are properly protected.
- 12. The AMWU requests that the Committee recommends that the State Government initiate urgent discussions with the Federal Government with respect to the dire need for the creation of a national regulatory scheme for labour hire providers.

Submission End.