HOUSING INDUSTRY ASSOCIATION

Submission to the
Finance and Administration Committee

Labour Hire Licensing Bill 2017

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contents

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1. EXECUTIVE SUMMARY

The Housing Industry Association (HIA) welcomes the opportunity to provide feedback to the Finance and Administration Committee on the *Labour Hire Licensing Bill 2017* (**'Bill'**).

This Bill comes in response to the June 2016 report of the Committee into labour hire and December's Issues Paper which referred to some examples of poor behaviour and practices in some industries, particularly in the mining and horticultural (seasonal fruit and vegetable) sectors.

HIA acknowledges the Government's desire to crackdown on the behaviour of rogue employers who exploit and mistreat their workers but HIA does not support the Bill. It is unnecessary for the residential construction industry.

Further, the entire labour hire industry across the state does not require additional burdensome regulation. The primary result of these laws will be increased costs.

The majority of issues that the Bill is purporting to address are matters relating to the national workplace relations system, corporate governance, tax laws and immigration and border control. Whilst the Issues paper and last year's inquiry identified a need for more targeted enforcement of these laws, there are Commonwealth agencies and bodies to address and inquire into such matters.

Of specific concern for HIA is the requirement that Group Training Organisations (GTOs) will require a labour hire license.

Group training and apprenticeship schemes are an important source of apprenticeship and skills development in the construction industry. Group training is already a highly regulated activity. The Committee inquiry heard no evidence that that there were issues with GTOs and the topic was not raised in the Issues Paper.

Yet if implemented, the Bill will make it more expensive to employ an apprentice through a GTO. This is of particular concern given the continual decline of apprenticeship commencements and completions [1] .

The measures in the Bill are also inconsistent with government initiatives that encourage an uptake in apprenticeships, including by the use of GTOs.

This sector should be exempt.

Otherwise, there are a number of issues with the content and drafting of the Bill:

[1] Australian Vocational Education and Training Statistics, 'Apprentices and Trainees 2016 December Quarter', Commonwealth of Australia 2017 https://www.ncver.edu.au/__data/assets/pdf_file/0024/550158/Apprentices-and-trainees-2016-December-quarter.pdf.

- For instance, some of the current definitions, "muddy the waters" as to who is the intended target of the legislation.
- The penalty provisions proposed are excessive and out of steps with penalties in equivalent licensing legislation.
- The regulator (whose identity is not yet know) is granted expansive investigatory powers and broad rights of entry that appear excessive.
- The Bill provides a right for any interested party to frustrate a business' ability to operate via review proceedings. It is not unforeseeable that the proposed Bill will provide Unions, environmental activists, business competitors or other interested parties with the intention to unfairly frustrate a business' ability to operate in the state of Queensland.

Accordingly and in the event the Bill proceeds, HIA submits that a number of amendments be made to ensure a fair and appropriate regulatory response.

HIA provides further details below.

2. LABOUR HIRE LICENSING BILL 2017

2.1 DEFINITIONS

In order for the Bill to operate effectively terms must be consistently used and defined. Unfortunately the Bill uses a number of different and varying terms, not all of which are defined.

The Bill also includes "circular" definitions which potentially will lead to confusion for those subject to its application.

While the use by the Bill of various terms such as 'individual', a 'company', a 'business', a 'worker' and a 'person' would seem aimed at ensuring the Bill is wide reaching, this approach is problematic.

The Minister explained the wide scope of the Bill as follows:[2]

"The intention of the bill is to cast a wide net over labour hire arrangements but not clog up the licensing system with other arrangements that fall outside genuine labour hire. Genuine recruitment, permanent placement and workplace consulting arrangements are not within the ambit of the licensing scheme. If a business supplies workers, whom the end user then employs themselves, that is not an arrangement that the bill is designed to capture. Neither does the bill intend to cover genuine subcontracting where, for example, a builder subcontracts a plumber to do the plumbing work on a small construction site."

[2] Hon G Grace, 'Labour Hire Licensing Bill' (Speech delivered at the Queensland Parliament, 25 May 2017): http://www.parliament.qld.gov.au/documents/tableOffice/BillMaterial/170525/LabourHire.pdf.

Yet the effect of the Bill is that it captures those businesses that are not traditionally considered as being labour-hire businesses. As outlined by the relevant Minister in introducing the Bill:

"If it is good enough to require a licence for those who sell houses or sell cars then, with this bill, we say that you should be required to have a licence if you are in the business of selling human labour to other businesses."

In this regard, the Bill establishes the *prima facie* position that every business (however defined) is deemed to provide a 'labour hire service' because *"…in the course of carrying on a business, the person supplies, to another person, a worker to do work."* It is difficult to think of a situation, in the course of a business that offers services, where this would not apply.

In the construction industry, there are individuals who supply their labour and expertise under legitimate business arrangements to multiple different companies or individuals who would be caught by the relevant definition above.[3]

It then becomes a task (explained later) for an individual to see whether or not there is an exception to this overarching position.

A 'Person' and an 'Individual'

The Bill refers to both *'A person'* and *'an individual'* yet both terms are undefined.

A person can also be deemed to be a 'provider' of labour hire services in certain circumstances.

Section 8 of the Bill then refers to a worker as an 'individual', rather than 'a person'. As the Committee would be aware, a company is a separate legal entity and therefore could also be considered an 'individual'. The Licensing requirements of this Bill make it relatively clear that it is the business that will be registered with the 'licence' but a 'worker' under the Bill could also be a company.

The confusion between 'a person', and 'individual' is further compounded in section 10 where 'a person' could be in contravention of the Bill but the effect of it is to make individuals and corporations liable.

'Business' and 'Carrying on a Business'

It is also unclear what the Bill considers to be a 'business', or what 'carrying on a business' is intended to mean. Is it measured on taxation, relevant business registration, payroll tax, some sort of basic economic activity or just a meaning that will have to be tested in court at some stage?

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[3] Those considered Independent Contractors under the *Independent Contractors Act 2006* creates a tension whereby they are considered 'contractors' for one Act but for the proposed Bill are considered a 'labour hire company'.

Labour Hire Services

The definition of 'labour hires services' goes well beyond what is traditionally accepted as 'labour hire' or a 'labour-hire business.'

In substitution, HIA notes the following definitions of 'labour hire services', or similar that already exist is legislation at both the State and Federal levels.

For example, under the *Building and Construction General On-site Award 2010*, on-hire means:

'the on-hire of an employee by their employer to a client, where such employee works under the general guidance and instruction of the client or a representative of the client.'[4]

Under the Queensland Workers' Compensation and Rehabilitation Act 2003 labour hire agency, means:

'an entity, other than a holding company, that conducts a business that includes the supply of services of workers to others.'[5]

Other jurisdictions ascribe particular and more targeted definitions in their workers compensation legislation as well.[6]

Scope and extent of the exceptions for 'Labour hire Services'

Section 7(3)(b) provides an exemption if:

'the person is a contractor who enters into a contract to carry out construction work within the meaning of the Building and Construction Industry Payments Act 2004, section 10, and engages subcontractors to carry out the work'

The onus falls on the business to determine whether they fall within this exception.

HIA is concerned that this approach does not adequately address the arrangements that exist in the residential construction industry and may unintentionally capture arrangements that were not intended to be the subject of the Bill.

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[4] Clause 3, Definitions and Interpretations. This is a common definition found throughout all 122-plus Modern Awards.
[5] Workers' Compensation and Rehabilitation Act 2003 (QLD), Schedule 6.
[6] See for example Workplace Injury Management and Workers Compensation Act 1998 Workers' Compensation and Rehabilitation Act 2003 (QLD), Schedule 6; Workers Compensation Act 1951 (ACT), Section 12; Workplace Injury Rehabilitation and Compensation Act 2013 (VIC), section 9; Occupational Safety and Health Act 1984 (WA) section 23F.

Firstly, it is unclear as to who a 'subcontractor' is, and whether it contemplates subcontractors who further subcontract-out work.

For example a multi-million dollar construction project is entered into by Construction Company X. The construction work is within the meaning of section 10 of *Building and Construction Industry Payments Act 2004* (**BCIPA**). Construction Company X decides to outsource all (or some) of its administration work to a different Company.

Would the outsourced administration company have to have a labour hire licence? Construction Company X has entered a contract for construction work but the work the subcontractors (I.e. the administration company) are performing is not covered by section 10 of BCIPA.

Further to this, it is unclear whether the work carried out by subcontractors has to be within the meaning of section 10 of BCIPA or not.

The exception can be interpreted in two different ways which significantly impacts on its application:

- Any subcontractors engaged by a principal contractor are exempt from being considered as providing 'labour hire services' by virtue that the principal contractor has a contract within the meaning of BCIPA section 10 regardless of the work performed by the subcontractor. This approach could mean that an administration company that specially hires out labour for construction companies working on construction projects would not be covered by the Bill compared with administration companies who hire out to any other organisation.
- Any subcontractors engaged by a principal contractor must also perform work within the meaning of section 10 of the BCIPA to be covered by the exception provided for in the Bill. This could be particularly problematic in the case of, for example an architect engaged by a Builder to design a home.

Under section 7(1) of the Bill an architect engaged to do work for a Builder would be covered by the Bill because the architect (or their firm) *"in the course of carrying on a business, the person supplies, to another person, a worker to do work."*

Under the Bill, the Architect (or Architectural firm) is clearly supplying their labour for the benefit of the builder (see section 9 of the Bill "*When a worker is supplied: For this Act, the supply of a worker to do work for a person happens when the worker first starts to do work for the person in relation to the supply*").

It would then need to be determined whether an exception is provided.

The BCIPA Act does not define who subcontractors are but rather provides a broad definition of "construction work".

Section 10 of the BCIPA legislation states:
(1) Construction work means any of the following work—

(a) the construction, alteration, repair, restoration, maintenance, extension, demolition or dismantling of buildings or structures, whether permanent or not, forming, or to form, part of land;
(b) the construction, alteration, repair, restoration, maintenance, extension, demolition or dismantling of any works forming, or to form, part of land, including walls, roadworks, powerlines, telecommunication apparatus, aircraft runways, docks and harbours, railways, inland waterways, pipelines, reservoirs, water mains, wells, sewers, industrial plant and installations for land drainage or coast protection;
(c) the installation in any building, structure or works of fittings forming, or to form, part of land, including heating, lighting, airconditioning, ventilation, power supply, drainage, sanitation, water supply, fire protection, security and communications systems;
(d) the external or internal cleaning of buildings, structures and works, so far as it is carried out in the course of their construction, alteration, repair, restoration, maintenance or extension;
(e) any operation that forms an integral part of, or is preparatory to or is for completing, work of the kind referred to in paragraph (a), (b) or (c), including—
(i) site clearance, earthmoving, excavation, tunnelling and boring; and
(ii) the laying of foundations; and
(iii) the erection, maintenance or dismantling of scaffolding; and
(iv) the prefabrication of components to form part of any building, structure or works, whether carried out on-site or off-site; and
(v) site restoration, landscaping and the provision of roadways and other access works;
(f) the painting or decorating of the internal or external surfaces of any building, structure or works;
(g) carrying out the testing of soils and road making materials during the construction and maintenance of roads;
(h) any other work of a kind prescribed under a regulation for this subsection.
(2) To remove doubt, it is declared that construction work includes building work within the meaning of the Queensland Building and Construction Commission Act 1991.
(3) Despite subsections (1) and (2), construction work does not include any of the following work—
(a) the drilling for, or extraction of, oil or natural gas;
(b) the extraction, whether by underground or surface working, of minerals, including tunnelling or boring, or constructing underground works, for that purpose.

The services an architect provides are not detailed under section 10(1) of the BCIPA Act.

Section 10(2) the BCIPA Act details that:

"To remove doubt, it is declared that construction work includes building work within the meaning of the Queensland Building and Construction Commission Act 1991"

The definition of "Building Work' under the *Queensland Building and Construction Commission Act 1991* (**QBCC Act**) states that *"the preparation of plans or specifications for the performance of building work"* is building work.[7]

However, the QBCC Act specifies that building work *"does not include work of a kind excluded by regulation from the ambit of this definition."*[8]

The Queensland Building and Construction Commission Regulations 2003 (**QBCC Regulations**) state that "*Work that is Not Building Work" includes "Work performed by an architect in the architect's professional practice, including, for example, carrying out a completed building inspection."*[9]

It is then arguable that an architect would have to be covered by this Bill because the QBCC Regulations specifically states that the work they provide is not building work and therefore they do not meet the exception in section 7(3)(b) of the Bill.

There is a comprehensive list of different types of work described by the QBCC Regulations as not being 'Building Work'. There is potential that businesses that supply these types of work will not be covered by the exception provided for in the proposed Bill.

Further, the Bill makes individuals liable for prosecution. If a home owner or an individual member of the public were to engage an architect then it is arguable they would be covered by the Bill and its associated penalties.

HIA submits that the Committee acknowledge the complexity involved in determining how the exemptions under the Bill operate and rectify this as a matter of priority.

HIA notes that the regulations also exclude certain classes, which might provide further clarity. However, as the regulations have not been published, HIA has not been able to make any comments.

2.2 LICENSING REQUIREMENTS

HIA is concerned with the additional red tape and costs that will be imposed on labour hire providers.

The Minister has noted that the annual licence fee and subsequent renewal fees will be set out in subordinate legislation which is yet to be published.

The anticipated fees will be structured according to the size of the business based on the annual turnover and wages paid, being:

- $1000 for a small labour hire provider;

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[7] Queensland Building and Construction Commission Act 1991 (QLD) Schedule 2: Definitions.
[8] Queensland Building and Construction Commission Act 1991 (QLD) Schedule 2: Definitions.
[9] Queensland Building and Construction Commission Regulations 2003 (QLD, Schedule 1AA, subsection 4).

- $3000 for medium provider; and
- $5000 for large provider[10].

Given the broad application of the Bill, the lack of clarity regarding the exceptions, and the high (and somewhat punitive) penalties, this is likely to create the perverse incentive for businesses to take the approach of 'better-be-safe-than-sorry' and take out a licence even if they may not consider themselves to be a labour hire company.

Structuring the fees on the basis of the annual turnover of the business also complicates who is considered a 'small, medium or large' provider.

For example, HIA is primarily a membership association. However, HIA also runs a group training scheme for apprentices. Although the group training scheme is not the Association's primary business, by structuring the fees on the annual turnover of the business, HIA will be deemed a large provider.

Additionally, the sums indicated by the Minister do not take into account the following ancillary costs, business will face in applying for a licence:

(a) Time in filling-out required paperwork;
(b) Researching Company history;
(c) Employment costs of personnel required to research matters;
(d) Disputes and appeals;
(e) Opportunity costs on all of the above.

2.3 LICENSE APPLICATION

The Bill sets out the information required for the licence application.

Section 13(3) (v) and (vi) requires the applicant to state where it is providing, or intends to provide, accommodation or any other service to workers in connection with the provision of labour hire services, yet these factors may not be known at the time the labour hire provider is applying for the licence.

HIA also has some concerns regarding the rigidity of section 14.

Although HIA understands the motivation behind section 14, the 'genuine sale' exemption provided by subsection (2) and subsection (5) of section 14 is extremely limited in its scope and does not potentially take into account other legitimate restructures.

[10] Hon G Grace, 'Labour Hire Licensing Bill' (Speech delivered at the Queensland Parliament, 25 May 2017): http://www.parliament.qld.gov.au/documents/tableOffice/BillMaterial/170525/LabourHire.pdf.

2.4 Fit and Proper Persons Test

Section 27 sets out the fit and proper test.

Whilst HIA does not object to a test of this type being part of a licensing regime, it is drafted in fairly broad terms that are open for subjective interpretation. For instance, subclause (a) provides *'the person's character, including for example, the person's honesty, integrity and professionalism'*.

It is also unclear how this is to be assessed.

For example, if a consumer writes a bad review online about a person's character, would this form part of the consideration of whether a person is a fit and proper person?

Secondly, as section 27(2) allows the Chief Executive to *"have regard to any other matter the chief executive considers relevant"*, it is unclear why subsection (a) is needed as a stand-alone provision.

Finally, the Chief Executive is given extraordinarily broad discretion to assess a person's ability to *"comply with relevant laws"* under section 27(1)(b)(ii).

2.5 Obligations of Licensees

Section 29 of the Bill empowers the Chief Executive to impose conditions on licensees.

Some of these conditions, such as the requirement under section 29(2)(a) to take out "insurance" or the requirement under section 29(2)(b) to provide security could significantly add to the cost of licensing.

Whilst section 30 provides that the condition would be imposed via a show cause process, the provisions still affords the regulator with a very broad discretion on when to exercise this power.

The Bill should be redrafted to contemplate those circumstances when a condition is imposed.

2.6 Reporting

Section 31 of the proposed Bill requires extensive reports to be produced by the labour hire provider every six months.

If a labour hire provider has to apply for a licence or renewal of a licence every year, there is little practical sense in introducing separate reporting obligations where the provider would need to spend unnecessary money and time twice a year to comply with its obligations.

Additionally, HIA has concerns about the information required to be provided by section 31(2)(g), (j) – (n).

HIA also opposes the requirement that a labour hire provider report on the locations where work is carried out.

Firstly, it is unclear how such information is necessary for a licensing regime to operate effectively.

Secondly, and particularly for GTO's, it is inappropriate to require that a host employer disclose the work location of an apprentice, particularly where this information may ultimately be published on a website.

Further, it creates additional regulatory burden for hosts if they have work occurring at several locations in Queensland, which is often the case in the residential construction industry.

HIA reiterates concerns outlined above in relation to sections 31(2)(j) and (k).

The most concerning issue is that under the Bill a business is required to disclose information about notifiable incidents and workers compensation information. Again HIA is at a loss to determine how such information is relevant for the effective operation of the licensing scheme outlined within the Bill.

2.7 Register of Licenses

Section 103 establishes a comprehensive licence register.

The Licence registry contains extensive details about the labour hire provider that go well beyond what is required for a user to check whether a business has a licence.

It is HIA's view that a majority of the requirements for the registry are unnecessary, particularly given section 103(2) which provides that it will be published free of charge on the regulator's website.

For example, why does information about "the locations in Queensland where work is carried out by workers supplied by the licensee" need to be published? Similar to the concerns raised above regarding privacy of client details, it would also allow any potential interested parties, such as competitors or unions to interfere with host businesses.

HIA submits that the list of information published against a licensee's name should be restricted to the information set out in section 105, which will be enough for a user to identify that the business they are engaging is licenced.

2.8 Penalties

The penalties provided throughout the Bill go well beyond anything reasonably required to deter rogue employers and ensure compliance.

As noted earlier, due to the broad (but at times uncertain) application of the Bill, it has the potential to unwittingly penalise everyday business owners that do not consider themselves to be part of the labour hire industry or even home owners contracting with businesses.

As at 1 July 2016, a single penalty unit is $121.90.[11] Based on the current penalty unit, the maximum penalty units for a corporation will be more than enough to bankrupt a business. This, of course, has broader implications on the industry and economy as a whole.

The penalties for an individual include imprisonment. HIA does not see how imprisonment can help the Government achieve the policy objectives of this Bill.

The explanatory note explains the penalties as follows:[12]

"The highest penalties introduced by the Bill are for the serious contraventions of the core tenets of the licensing scheme i.e. (i) for operating as a labour hire provider without a licence; (ii) for entering into an arrangement with an unlicensed provider; and (iii) for entering into an avoidance arrangement. The maximum penalties for a breach of these provisions is 1034 penalty units or 3 years imprisonment for an individual or 3000 penalty units for a corporation. These penalties provide an effective deterrent and are comparable with offences recently introduced by the Fair Work Amendment (Protecting Vulnerable Workers) Bill 2017 which similarly aim to prevent the exploitation of vulnerable workers. They are also comparable with high penalties for serious offences in the Industrial Relations Act 2016."

No gap has been identified in any existing legislation, or proposed legislation through the *Fair Work Amendment (Protecting Vulnerable Workers) Bill 2017,* that would justify the additional criminal penalties outlined with in this Bill

HIA strongly opposes the punitive measures that are contained in this Bill.

For an untested, essentially pilot licensing regime of this type, the penalties provided are out of balance with what it is intended to achieve.

The penalties are also not contingent on any wrongdoing under any law except that of the proposed Bill. For example, whilst a New South Wales based labour hire provider may be complying with all applicable laws, and subsequently provides some labour-hire for a single project in Queensland that business could be prosecuted for this single business activity and there is no statutory defence available to that provider.

Potentially this restriction impinges upon free trade and commerce between Australian states.

As well as making the labour hire provider liable, the penalty regime penalises users of labour hire in section 11 of the Bill.

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[11] Queensland Government, 17 July 2015 https://www.qld.gov.au/law/crime-and-police/types-of-crime/sentencing-fines-and-penalties-for-offences/.

[12] Explanatory Memoranda, Labour Hire Licensing Bill 2017 (Qld), 5.

HIA opposes making a user liable for a provider's conduct.

In order to avoid possible penalties, the regime creates a positive obligation on every business to check whether the labour they engage from another entity or person is registered. The defence provided by 'reasonable excuse' is extremely limited. It is essentially a strict liability offence.

The 'General Offence Provisions' provided by Part 7 of the Bill create additional extensive penalties. Section 91 contains an offence regarding 'False or misleading information' which contains this defence under section 91(2):

(2) Subsection (1) does not apply to a person who, when giving information in a document—

(a) informs the official, to the best of the person's ability, how the document is false or misleading; and

(b) if the person has, or can reasonably obtain, the correct information—gives the official the correction information.

HIA is confused as to how this provision would practically apply.

Section 92 contains no express limitation and could have very broad application.

2.9 REGULATIONS

The Regulations have not yet been published but are critical to understanding the effect the Bill will have on Queensland businesses.

For example, the Minister noted:

"The bill also makes provision for regulations to be made to provide further clarification on the scope of the Bill to ensure that coverage does not capture unintended classes of providers or workers."[13]

Whilst allowing scope for regulatory power to be exercised to further achieve the Bill's objective, the lack of draft Regulations makes commenting on the Bill's overall design a difficult task.

Of note the reporting requirements are to be contained with the Regulations. Group Training Organisations and businesses that are covered by this Bill need to be aware of the proposed costs and inputs on business in order to make informed business decisions about their ongoing viability.

Equally difficult is accurately determining the cost impact of the licensing regime and any adverse impact on the operation of GTO's.

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[13] Hon G Grace, 'Labour Hire Licensing Bill' (Speech delivered at the Queensland Parliament, 25 May 2017): http://www.parliament.qld.gov.au/documents/tableOffice/BillMaterial/170525/LabourHire.pdf.

This lack of certainty may ultimately have an adverse impact on business confidence.

HIA strongly submits that the Queensland government engages in extensive consultation on any Regulations to accompany this Bill.

2.10 Right of Entry

The right of entry provisions under the Bill are extensive, unnecessary and duplicate the responsibilities and powers of other authorities.

HIA opposes such power being vested with an inspector under this regime.

HIA submits that the powers contained within the Bill are extensive and, arguably go beyond the right of entry power of other regulators including:

a. Inspectors from the Fair Work Ombudsman;[14]
b. Right of Entry provisions for Union officials under the FWA;[15]
c. Inspectors under the Work Health and Safety Act 2011 (QLD).[16]

HIA also has grave concerns with the broad right for inspectors to enter 'a place', as defined in Schedule 1, to also include any potential host businesses.

Additionally, the Right of Entry with or without consent without first requiring notice gives the inspectors more powers than already existing rights under the FWA.

HIA argues that these powers are unnecessary to achieve the objects of the Bill.

2.11 Reviews and Appeals

Section 93 gives the right of review to any interested party where a licence has been granted. The Bill provides the relevant definition as follows:

> *interested person means a person or organisation, other than a licensee, who has an interest in the protection of workers or the integrity of the labour hire industry.*

In HIA's view this broad definition is inappropriate and allows a raft of persons, including competitors to interfere in the legitimate operations of business.

For example, if a business decides to outsource a function or part of that function to a legitimate labour hire company that decision can now be attacked through the prism that the labour hire

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[14] Section 709 Fair Work Act 2009.
[15] See Part 3-4 Fair Work Act 2009.
[16] Section 165 Work Health and Safety Act 2011.

company should not be licenced (regardless of whether the licence has been approved or not). The availability of free information published through the labour hire website, detailed above, about a licence, provides fodder for anyone to launch a claim against a legitimate labour hire provider.

The dispute at Carlton United Breweries in Victoria provides an illustrative example where a labour hire licencing regime and the right of appeal that this Bill provides, gives for example unions a different path to frustrate legitimate business decisions.

Further, competitors or activists of any kind could provide relevant funding to frustrate a business obtaining a relevant licence to become a labour hire provider.

2.12 MISCELLANEOUS

Section 4 binds the State to this Bill but makes the State not liable for any offences. It is hypocritical to provide a special exemption for the state if the state should ever require labour hire providers to fill shortages in labour supply.

3. CONCLUSION

HIA opposes the Bill. The inclusion of GTOs is unexplained and contrary to skills development in the state.

HIA believes that the effect of this Bill will result in negative consequences for Queensland's economic growth and the engagement of apprentices and trainees in the state.

The right for any interested party to frustrate a business' ability to obtain a licence to operate via review proceedings is also inappropriate. It is not unforeseeable that under the proposed provisions unions, environmental activists, business competitors or other interested parties will intervene with the intention to unfairly frustrate a business' ability to operate in the state of Queensland.

The penalties provided are also out of proportion and perspective.

Notwithstanding HIA's opposition to the introduction of the Bill, HIA recommends:

(1) The removal of group training organisations from the scope of any activity to regulate the labour hire industry;
(2) Significant redrafting, in particular those key elements that set out the scope of who requires a licence and the penalty and offence regime; and
(3) Providing another opportunity for submissions once the regulations have been published.