



Speech By  
**Peter Russo**


**MEMBER FOR SUNNYBANK**

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Record of Proceedings, 15 September 2016

**FINANCE AND ADMINISTRATION COMMITTEE**

**Report, Motion to Take Note**

 **Mr RUSSO** (Sunnybank—ALP) (12.18 pm): I move—

That the House take note of report No. 25 of the Finance and Administration Committee.

Before I continue, I would like to thank the secretariat for their hard work and also the other members of the committee, both government and non-government. I rise today to speak to report No. 25, titled *Inquiry into practices of the labour hire industry in Queensland*. In my foreword to the report, I indicated that this inquiry occurred during a time of increasing discussion and debate on the nature of Australian work arrangements and policy environment to best support both a flexible labour market and consistently fair and safe employment conditions for workers.

It was recognised during the inquiry that labour hire employment plays a significant and important role in many of our key industries and will continue to do so into the future, as businesses look to cost-effectively meet seasonal labour demand, streamline recruitment and hiring practices, address skills shortages, and boost productivity. Evidence gathered by the committee highlighted concerning incidents of phoenixing, sham contracting, the exploitation and mistreatment of workers, the undercutting of employment conditions and a range of other illegal or questionable practices.

The practices referred to above are undermining the operation of the labour hire sector, resulting in a range of other illegal or questionable practices which have a direct impact on employers, businesses, families and communities across the state. The impact of these practices were evident in the rural communities in Gatton, Bundaberg and the mining towns in the Bowen Basin, although not exclusive to the places named.

The report considered a range of possible solutions to the issues of illegal operators exploiting vulnerable workers and their families. The solutions included both statutory and non-legislative measures that operate in other jurisdictions both nationally and internationally. The report found that there have been a wide range of inquiries into the labour hire industry over many years, and it is apparent that the conservative side of politics, both federal and state, have had no appetite to address the issues that have led to the exploitation of workers.

The report goes some way to addressing the issue. The evidence that the committee heard is as follows: a failure to comply with basic award wages and conditions, health and safety and accommodation requirements; a systematic avoidance of income tax, payroll tax and superannuation obligations; sham contract arrangements where a relationship of employment in all but name is used to avoid tax and employment requirements; and workers left without recourse when their employer company closes down only to then recommence operations under another company name—phoenix companies.

Opposition members of the committee, despite this evidence, were simply not prepared to consider the measures required to provide even basic mandatory standards of compliance in this sector. The three government members were not prepared to let this report proceed without recommendations to intervene on many vulnerable and exploited Queensland workers. Government members considered that the evidence received by the committee clearly indicated that an assumption of self-regulation is an insufficient response to illegal industry practices.

Evidence was received by the committee that the Fair Work Ombudsman is under-resourced and therefore not able to properly police breaches under the Commonwealth legislation. The only way to combat the abuses is for an appropriate licensing scheme. I commend report No. 25 of the Finance and Administration Committee to the House.