




Speech By
Robbie Katter

MEMBER FOR MOUNT ISA

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LABOUR HIRE LICENSING BILL

 **Mr KATTER** (Mount Isa—KAP) (3.50 pm): I rise to make a contribution on the Labour Hire Licensing Bill 2017. I am very pleased to have an opportunity to speak on legislation such as this. This issue is akin to that of FIFO in an electorate like Mount Isa. It is a burning issue that affects the everyday lives of families and workers in that area.

Firstly, I make reference to the issues raised with us by the labour hire companies in the briefings. They pointed to things such as the coverage of management, the 'fit and proper person' test, the impacts on customers and employers if the labour hire licence is not granted and challenging a licence decision. We have done our best to consider both sides of the argument. I think it is important that, as the member for Mount Isa, I make it really clear what impacts these sorts of things have on communities like Mount Isa and Cloncurry, where we rely on having those workers and their families properly represented.

There will always be tension between multinational mining companies and employees. We want those companies to be there. We welcome them and induce them to have their operations in the region, but there is no point in having them there if we do not get the benefit of jobs and pay. There will always be a tension between the mines and their employees. They are not benevolent societies; they will want to make as much profit as they can. Wages are their biggest cost component—between 50 and 60 per cent they say. It is a big cost component to them, so there is strong incentive for employers to do what they can to drive the cost of wages down. That will always be the case. The mining companies are a pretty powerful force in terms of lobby groups. We have heard a lot about unions, but the mining companies are big entities in themselves. They have a lot of power in that space over the workers.

We have seen over the years in Mount Isa and Cloncurry a diminution in the permanent resident workforce—which we really value and is the cornerstone of those communities—and a push towards labour hire. It has all been very secretive and underhanded. It is very hard to get data and information about what is going on. I hear a lot of stories. We will hear more and more about blokes who have been permanent there for 20 years and from all accounts seem like reasonable employees but who get put off for some reason or other and then they are forced into being contracted out at \$10 an hour less with a labour hire company. There are all of these hidden costs. A young bloke might think it is great to be on \$40 or \$45 an hour but then will find out what he is missing out on when he goes to take his holidays. They can be lured into this arrangement. It is something that has crept in. It now has a massive presence in Mount Isa and Cloncurry, and I am not sure that we want it.

I accept that it is healthy to have some labour hire to iron out the bumps. Interestingly, in the course of consultation I spoke to a friend of mine who worked in a regional town for a labour hire company and he said, 'Rob, it is not good. I worked for them. I think it is good to have a bit of labour hire out there, but it is not good for the communities, mate. There is too much of it and it is growing.' Something needs to be done and something over and above what is being done now. Adding a little bit of effort from the federal sphere is not going to cut it. I would be embarrassed to go back to my electorate and say that that is all it is, so I welcome changes like this.

What appeals to me most is that we will get a visual on the number of people who are now engaged in this area. Often you will be at Mount Isa Mines asking, 'How many permanents do you have? How many contractors do you have?' Often you do not know. The response will come back that there is 90 per cent permanent residents employed. That is fine, but how many contractors do they have on site? If nothing else, we will now get a visual on that which I think will be really helpful. As I said, this is a burning issue for places like Cloncurry and Mount Isa where labour hire is growing. There are some dodgy operators out there who have done the wrong thing. There are some really good labour hire companies who have done the right thing. We need to manage them, but there needs to be some mechanism to stem the flow.

There will always be tension between the employer and the employee. One unassailable truth is that, if big companies can drive down 50 to 60 per cent of their cost base, they will make every effort to do that. What a great way for them to achieve that through labour hire, so at least trying to control the market in that way is a good start. I would love to take that a step further and see a mechanism that will reduce the incidents of labour hire in these areas. As my colleague the member for Dalrymple so rightly pointed out, it has become a really big issue. When you talk to the lenders in Mount Isa, they say, 'It is getting a lot harder for us to do deals with people on contract, with the increase in incidents of contracting in the town.' That starts to affect our property market in Mount Isa. That leads to fewer owner-occupiers and more investment properties—more rentals where people are not looking after their yards. The community fabric starts to crumble when these things are left unattended to. This bill is a really good thing that we can tap into in those areas.

I want to drive home the point that this is a burning issue for places like Cloncurry and Mount Isa. The increase in incidents of labour hire is destructive to these communities. I accept that there will always be an element of labour hire in the workforce, but it is growing and growing at an unhealthy rate. It needs to be curbed somehow. This bill goes some way to curbing that which is good for Mount Isa and good for Cloncurry. That is why we will be supporting this bill.