Labour Hire Licensing Reforms

DISCUSSION PAPER



Government of South Australia
Consumer and Business Services

Contents

Minister's message 3
How to get involved 4
Part 1 – Labour hire licensing
1.0 Background 5
1.1 National context 8
Part 2 - Purpose and scope of South Australia's labour hire reforms
2.1 Purpose of the proposed reforms 10
2.2 Scope of the proposed changes 11
2.3 Outline of proposed changes 12
Part 3 – Next steps
3.1 Next steps 15
Appendix 1 – Summary of questions 16
Appendix 2 – Examples of (proposed) license requirements 17

Minister's message

Labour hire is an important part of doing business in South Australia (SA) as it gives companies and workers the flexibility to exchange labour without a direct employment relationship. Whilst businesses benefit from this flexibility, the arrangement can create risks for workers where basic rights are not met, including minimum wages, allowances, leave and superannuation entitlements.

The *Labour Hire Licensing Act 2017* (LHL Act), which commenced 1 March 2018, required anyone who provided labour hire in SA to be licensed.

A series of amendments took effect on 20 July 2020 as a result of the *Labour Hire Licensing (Miscellaneous) Amendment Act 2020*, effectively narrowing the South Australian scheme to only apply to labour hire providers operating within industries where workers were at particular risk of exploitation. The industries presently covered by the legislation are horticulture processing, meat processing, seafood processing, cleaning and trolley collection. Since this time, the use of labour hire has expanded significantly into other sectors including health care and government.

The Malinauskas Government has committed to broaden and strengthen SA's labour hire licensing laws to ensure that all labour hire firms and workers are covered by the same laws and regulations. This discussion paper outlines proposed changes to the LHL Act, to achieve this important goal.

I encourage you, through this discussion paper, to have your say about proposed changes to SA's labour hire licensing scheme.

Hon Andrea Michaels MP

Minister for Consumer and Business Affairs

How to get involved

Consumer and Business Services (CBS) is committed to a broad public consultation and invites all interested parties to provide submissions. The discussion paper together with the draft Labour Hire Licensing (Scope of Act) Amendment Bill 2025 (Draft Bill) will be published on the yourSAy website (https://yoursay.sa.gov.au).

To submit your consultation feedback, you can complete the short survey on the yourSAy website or submit your feedback electronically or by post. While submissions may be lodged electronically or by post, electronic lodgement is preferred. For accessibility reasons, please submit responses sent via email in a Word or RTF format. An additional PDF version may also be submitted.

The following legislation is available on www.legislation.sa.gov.au:

- *Labour Hire Licensing Act 2017* (Current version – 1.7.2021)
- *Labour Hire Licensing Act 2017* (Historical version: 1.3.2018 to 19.7.2020)

Please send all submissions by 5pm, 21 August 2025. Please address any enquires to CBSReforms@sa.gov.au.

You can provide your submissions by:

1. Email

CBSReforms@sa.gov.au

2. Post

Att: Labour Hire Reforms - Consultation
Consumer and Business Services
GPO Box 1719
ADELAIDE SA 5001

Please note that submissions (including name and address details) may be made publicly available. If you do not wish for your submission or any part of your submission to be made public, please mark your submission 'Confidential – Not for Publication' and provide your reasons for this.

Please be aware that, unless a request for confidentiality is made, information contained in any submission may be referred to publicly or published. Any material identified as 'confidential' is still subject to the *Freedom of Information Act 1991* and, while efforts will be made to keep the material confidential, in some circumstances it may be disclosed under that Act. Where disclosure of information may identify you, attempts will be made to consult with you under the *Freedom of Information Act 1991* before the documents are disclosed.

1.0 Background

The *Labour Hire Licensing Act 2017* (LHL Act), which commenced on 1 March 2018, was introduced under a Labor Government, and required anyone who provided labour hire in SA to be licensed.

A series of amendments took effect on 20 July 2020 as a result of the *Labour Hire Licensing (Miscellaneous) Amendment Act 2020*. The 2020 amendments effectively narrowed the scheme to only apply to labour hire providers operating within industries where workers were at particular risk of exploitation. These industries are horticulture processing, meat processing, seafood processing, cleaning and trolley collection.

Apart from SA, there are three other jurisdictions that have established labour hire licensing schemes: Queensland (QLD), Victoria (VIC), and the Australian Capital Territory (ACT). The schemes in these jurisdictions have universal application to all industry sectors, which is different to SA's narrowed scope.

The schemes in QLD, VIC and ACT have adopted similar regulatory approaches, requiring labour hire providers within the scope of the scheme to be licensed to provide labour to host businesses. The schemes also mandate that hosts/users of labour hire must only enter arrangements for labour from licensed providers.

The schemes in QLD, VIC and ACT adopt broadly similar approaches to core concepts, with some differences including for licence application and reporting requirements, fees, and penalties.

Australian Capital Territory[1]

The *Labour Hire Licensing Act 2020* (ACT Act) establishes a scheme that applies to all labour hire providers who are based in the ACT, those who hire out labour outside the ACT, and those providers who are based outside the ACT and provide labour hire inside the ACT.

Labour hire providers are broadly defined as a person (individual or business) that, while carrying out business, supplies a worker to complete work for another person (the host), where the provider pays the worker for that work, directly or indirectly.

However, a licence is not required where all workers supplied are:

- a public servant (a public servant is defined as someone who is employed in the public service which is defined as the ACT public service).
- high income workers – defined as a person whose annual wages are equal to or more than the amount of the high-income threshold under section 333 of the *Fair Work Act 2009* (Cth), and whose employment is not subject to or covered by a modern award or enterprise agreement under the *Fair Work Act 2009* (Cth).

[1] https://www.worksafe.act.gov.au/__data/assets/pdf_file/0006/1828158/LHL-FAQs-V.4.pdf

- an employee who is a director or senior manager of a corporation, where the corporation has not more than two directors, and the employee is the only worker 'supplied' to undertake work for another entity.
- an 'in-house employee' who is temporarily supplied to another person, where an 'in-house' employee is defined as an individual who:
    - is engaged as an employee by the provider on a regular and systematic basis;
    - has a reasonable expectation the employment with the provider will continue;
    - primarily performs work directly for the provider other than as a worker supplied to another person to do work for the other person.
- employed by an employing entity, and only supplied to work within a single recognisable business (this usually applies to larger businesses with a 'group' structure).

Queensland[2]

QLD has implemented a mandatory licensing scheme for all labour hire providers operating in the State. Users of labour hire services can only use a licensed labour hire provider.

Labour hire providers supply workers to another business or person (the labour hire user) to do work. Under the arrangement, the labour hire provider has the obligation to pay the workers for the work they do (though this can be an indirect obligation, in the case of on-supply of workers). The definition is broad, and covers outsourcing of labour, as well as contingent labour.

QLD's *Labour Hire Licensing Act 2017* (QLD Act) sets out what is meant by *labour hire provider*, *labour hire services* and *labour hire worker*. The QLD Act provides examples of labour hire providers including:

- a contractor who supplies workers to a farmer or fruit grower to pick produce for the farmer or grower.
- a group training organisation or principal employer organisation under the *Further Education and Training Act 2014* that supplies an apprentice or trainee to an employer.
- an employment agency who on-hires temporary administration staff to a business.

Recruitment and permanent placement services, volunteering arrangements and workplace consultants are not considered labour hire services and do not fall within the labour hire licensing scheme. In addition, businesses that only supply workers in the following categories do not require a licence. These workers are not considered to be labour hire workers for the purposes of the QLD Act:

- a high income employee who earns an annualised income of more than $175,000 per annum (from 1 July 2024 and subject to annual increases) and is not covered by an industrial award or agreement. Annualised income means a rate (hourly, weekly, etc.)

[2] https://www.labourhire.qld.gov.au/licensing#:~:text=The%20Labour%20Hire%20Licensing%20Act%202017%20%28the%20Act%29,can%20only%20use%20a%20licensed%20labour%20hire%20provider.

which, when converted to an annual income, is more than the amount of the high-income threshold.

- an employee who is supplied within a group of entities that carry on business collectively as one recognisable business (e.g. supply by a service/employing entity within a corporate group).
- an 'in-house employee' who temporarily works for another person or business. An 'in-house employee' is defined in the Labour Hire Licensing Regulation 2018. This category covers, for example, secondments.
- executive officers of corporations, where they are the only person supplied to do work.

Victoria[3;4]

VIC regulates the entire labour hire industry regardless of occupation, or sector of supply and ensures labour hire providers comply with their workplace-related obligations, including workplace law, taxation law, migration law, and transport and accommodation standards.

The *Labour Hire Licensing Act 2018* (VIC Act) covers work performed within the state, and arrangements made within VIC for work performed outside of the state. This means that in order to operate legally in VIC, a labour hire provider must be licensed.

Under the VIC legislation:

- Labour hire providers must be registered and licensed to advertise and provide labour hire services in Victoria.
- Labour hire providers must comply with all workplace laws to be licensed and demonstrate this annually.
- Hosts must only use licensed labour hire providers.

In VIC, a labour hire provider is an individual or organisation that:

- supplies workers and pays them to perform work in and as part of a host's business;
- recruits workers for a host and provides accommodation; and/or
- recruits workers as independent contractors for a host and manages the contract performance.

A business generally only needs to supply one worker to a host to be a labour hire provider. There are some circumstances where supplying workers is not considered to be labour hire. No labour hire licence is required:

- where workers supplied are considered to be secondees. A secondee is an individual who is an employee of the provider, who is provided to another person to do work on a temporary basis, who:
    - works for the provider on a regular and systematic basis; and

[3] https://www.labourhireauthority.vic.gov.au/provider/
[4] https://www.labourhireauthority.vic.gov.au/provider/excluded-classes-of-workers/

    - has a reasonable expectation that their employment with the provider will continue (i.e. when the secondment ends, they expect to go back to working directly for the provider); and
    - primarily performs work directly for the provider, other than as a worker who is supplied to another person to do work for that other person.
- where the provider and the host are each part of an entity or group of entities and carry on a business collectively as one recognisable business (that is, 'within group').
- to provide a director of a body corporate, where that director participates in the management of the body corporate or shares in its profits, and the body corporate has no more than two directors.
- to provide a person who is employed by a public sector body within the meaning of the Public Administration Act 2004 *(Vic.)* who are seconded, transferred, provided or made available to do work for another person, however described, pursuant to an Act.
- to provide students who are performing work under:
    - a work experience arrangement or structured workplace learning arrangement under Division 1 of the *Education and Training Reform Act 2006* (Vic.); or
    - a practical placement under Division 2 of the *Education and Training Reform Act 2006* (Vic).
- to provide persons undertaking work or services under a vocational placement within the meaning of the Fair Work Act 2009 (Cth).

1.1 National context

The Malinauskas Government has committed to reform SA's labour hire licensing legislation by late 2025, while continuing to provide in principle support for the development and implementation of a nationally harmonised labour hire scheme that will replace the SA scheme once agreed and implemented.

In March 2023, the Australian Government circulated a consultation paper titled 'National Labour Hire Regulation: Towards a single national scheme'.[5] The consultation paper outlined the Australian Government's commitment to implementing recommendation 14 of the Report of the Migrant Workers' Taskforce[6] to establish a national approach to labour hire regulation by establishing a single national labour hire licensing scheme that would replace existing state and territory labour hire licensing schemes to ensure a single set of regulatory obligations apply to labour hire providers across Australia.

At their 8 June 2023 meeting, Workplace Relations Ministers tasked a working group of senior officials (the Labour Hire Harmonisation Working Group), led by QLD and VIC, to develop and

[5] https://www.dewr.gov.au/download/15393/national-labour-hire-regulation-consultation-paper/33232/national-labour-hire-regulation-consultation-paper/pdf
[6] https://www.dewr.gov.au/migrant-workers-taskforce/resources/report-migrant-workers-taskforce

provide a model for a harmonised approach to national labour hire regulation to Ministers. This report was provided on 31 October 2023.

On 13 December 2023,[7] Workplace Relations Ministers endorsed a model for a harmonised approach to national labour hire regulation.

The model agreed on is an applied/mirrored law approach, similar to the approach used in the national heavy vehicle regulation and national rail safety legislation. This approach requires an underpinning intergovernmental agreement (IGA) and aims to achieve consistency across state and territory laws and recognition of licences across all jurisdictions.

Ministers also tasked senior officials with forming a project office to manage the establishment of the National Labour Hire Regulator and support development and adoption of a model law to underpin the harmonised national labour hire licensing scheme.

At their 20 June 2024 meeting,[8] Workplace Relations Ministers confirmed their continued commitment to the endorsed model and a harmonised approach, subject to agreement on funding arrangements.

Ministers agreed to publish the endorsed model on the Commonwealth Department of Employment and Workplace Relations' website and senior officials were tasked with developing a strategy for consultation with business, industry, unions and other stakeholders. Both have not yet been released.

Ministers also noted the progress made by the Implementation Working Group in developing the IGA. They noted that a number of important issues remain to be resolved and instructed officials to continue work to ensure the IGA can be finalised as soon as possible once work on funding arrangements is complete. Ministers also noted progress made by the project office on the funding arrangements for the National Labour Hire Regulator.

SA must await the development of a model law before work can commence to apply or mirror the model law in SA and repeal the existing SA labour hire licensing scheme.

Negotiations on the nationally harmonised scheme are ongoing.

[7] Work Health and Safety and Workplace Relations Ministers' Meeting – 13 December 2023 - Department of Employment and Workplace Relations, Australian Government

[8] Workplace Relations Ministers' Meeting – 20 June 2024 - Department of Employment and Workplace Relations, Australian Government

2.1 Purpose of the proposed reforms

Labour hire licensing is a regulatory measure designed to protect labour hire workers and ensure that labour hire service providers operate within fair standards.

SA's labour hire licensing laws set minimum standards for labour hire providers with the aim of protecting workers from being exploited. Currently, labour hire providers are only required to be licensed in five sectors: horticulture processing, meat processing, seafood processing, cleaning and trolley collection.

There is concern that the current legislation leaves other labour hire workers without important protections and labour hire providers free to operate without needing to meet licensing criteria, such as a police check and fit and proper requirements for those responsible for the day-to-day management and operation of labour hire business.

The strengthening of SA's labour hire licensing laws addresses the potential for exploitation of vulnerable labour hire workers and inappropriate labour hire business practices and establishes a broadened mandatory licensing scheme for all labour hire service providers operating in SA.

The benefits of such a broadened scheme are manifold:

- It will ensure that all labour hire service providers and labour hire workers are covered by the same laws and regulations.
- The proposed scheme seeks to achieve a level playing field, so that all labour hire service providers do not face unfair competition from unscrupulous operators, and labour hire workers are not subject to exploitation, while keeping administrative burdens to a minimum.
- It may also deter unscrupulous labour hire service providers from avoiding responsibilities by creating a new company to continue the business of a company that has been deliberately closed to avoid paying its debts, including employee entitlements and taxation obligations (known as phoenixing).
- Being licensed reassures hosts and labour hire workers that the labour hire service provider is held to high standards, reducing the risk of unethical practices. It sends a clear message about the labour hire service provider's commitment to integrity, making its services more appealing in today's compliance-focused business environment and also promotes transparency and accountability in the labour hire service provider industry.
- For labour hire workers, it ensures fair wages, safe working conditions, and legal recourse in case of disputes. It will reduce risks for labour hire workers who may experience job insecurity, poor working conditions, and lower pay compared to staff who work directly for a business. It may also reduce the risk of labour hire workers missing out on basic rights, such as minimum wages, non-payment of wages, penalties loadings, overtime allowances, leave, workers compensation cover, superannuation entitlements, and workplace safety (including safety equipment and training). The new scheme may also reduce serious mistreatment of workers (including sexual harassment), withholding workers' passports, undercutting legitimate labour hire service providers as a consequence of not meeting legal obligations to labour hire workers and others.

2.2 Scope of the proposed changes

Draft bill

A draft Labour Hire Licensing (Scope of Act) Amendment Bill 2025 (Draft Bill) has been prepared, which forms the basis for the public consultation on the State Government's proposed changes to SA's labour hire licensing laws.

The Draft Bill proposes to remove provisions that currently limit the application of the LHL Act (*Labour Hire Licensing Act 20217* (Current version – 1.7.2021)) to horticulture processing, meat processing, seafood processing, cleaning, and trolley collection.

The proposed changes would return industry to largely the same arrangements that were in place when labour hire licensing first commenced in South Australia in March 2018 (*Labour Hire Licensing Act 2017* (Historic version: 1.3.2018 to 19.7.2020)), before the law was amended in 2020 to limit its application.

It is noted that, apart from limiting the application of the LHL Act, most provisions in the historic and current versions of the LHL Act are the same, and if not, very similar.

The proposed changes would also bring SA's labour hire licensing laws in line with corresponding labour hire licensing schemes in place interstate, namely VIC, QLD and the ACT.

Use of exemptions

The implementation of the historic version of the LHL Act in 2018 caused some initial confusion for some entities as to the licensing requirements and why certain entities had to obtain licenses. These issues and unintended consequences of implementation were resolved by providing exemptions from licensing requirements through the issuing of exemption letters and Gazette Notices under section 46 of the LHL Act.

It is proposed to retain section 46 'Exemptions' of the LHL Act to continue to provide for the ability to exempt certain persons/entities, class of persons/entities, etc. This will allow for administrative flexibility where an exemption is the only way to address a situation that constitutes a grey area.

However, in an attempt to keep the use of exemption provisions to a minimum and ideally avoid having to make use of exemption provisions at all, the definitions of '*labour hire services*' and '*labour hire worker* have been reconsidered as part of the reform activities, and revised as appropriate, to ensure clarity regarding the scope and coverage of the legislation. Respective definitions contained in interstate labour hire laws have been considered as part of this process.

It is also proposed to include transitional provision(s) if required to facilitate the enactment of the Draft Bill.

Question

1. Should exemptions under section 46 continue to be issued by notice in the Gazette, or alternatively be prescribed by the regulations?

2.3 Outline of proposed changes

Broadening of SA's labour hire laws

It is proposed to remove provisions that limit the application of the LHL Act to horticulture processing, meat processing, seafood processing, cleaning, and trolley collection.

To achieve this, the Draft Bill amends section 6 'Interpretation' of the current version of the LHL Act by removing the following provisions:

- the 'prescribed work' definition, and
- all related 'kinds of work' definitions (including 'cleaning work', 'horticultural processing work', 'meat processing work', 'seafood processing work', and 'trolley work'), and
- definitions related to defined 'kinds of work' (including 'aquatic animal', 'fishing', 'meat', and 'seafood').

In this context, it is also proposed to delete provision 7(2)(b) of the current version of the LHL Act in order to remove further reference to the 'prescribed work' definition.

These proposed amendments would largely revert the content of the current version of the LHL Act (*Labour Hire Licensing Act 20217* (Current version – 1.7.2021)) to the historic version of the LHL Act (*Labour Hire Licensing Act 2017* (Historic version: 1.3.2018 to 19.7.2020)).

The proposed removal of the term 'prescribed work', would require a consequential amendment to current provision 20(6)(d) in the form of the removal of the term 'prescribed' for the provision to read:

- 20(6)(d) the number of labour hire workers who undertook work for a host under the licence (the ***relevant workers***);

Question

2. Do you agree with the proposed broadening of the labour hire licensing laws? Please provide reasons for your answer.

Definition - Labour hire services

In addition to the proposed deletion of provision 7(2)(b) in support of the broadening of SA's labour hire licensing laws, it is also proposed to expand provisions under section 7(3) by inserting provisions 7(3)(c) and 7(3)(d).

In addition to existing provisions 7(3)(a) and 7(3)(b), these proposed inclusions stipulate that a person may provide labour hire services to a host regardless of whether:

- 7(3)(c) an individual supplied by the person to undertake work is an employee of the person; or
- 7(3)(d) a contract is entered into between the worker and the person, or between the person and the host.

This proposed amendment would ensure alignment of SA's labour hire licensing laws with corresponding interstate legislation currently in place in the ACT, VIC, and QLD, that all provide for the same.

Question

3. Do you agree with the proposed changes to the definition of 'labour hire services'? Please provide reasons for your answer.

Definition - Labour hire worker

It is proposed to incorporate amendments to section 8 of the current LHL Act, which provides for the 'Meaning of *labour hire worker*'. This would see current provision 8(2)(b) removed and replaced with additional provisions to further elaborate on who is not considered to be a labour hire worker. An individual would not be a labour hire worker for another person if:

- ***(Proposed new provision 8(2)(b))*** the individual is an employee of the other person, where the other person is 1 of a group of entities that carry on business as a group, and the employee does work for another entity in that group; or
- ***(Proposed new provision 8(2)(c))*** the individual is a public sector employee within the meaning of the *Public Sector Act 2009* who is seconded, transferred, provided or made available to do work for another person or entity pursuant to an Act; or
- ***(Proposed new provision 8(2)(d))*** the other person is a body corporate that has not more than 2 directors and the individual, being a director or senior manager of the body corporate, is the only individual who is supplied by the body corporate to undertake work for another person; or
- ***(Proposed new provision 8(2)(e))*** the individual's annual remuneration is equal to or more than the amount of the high-income threshold (within the meaning of the *Fair Work Act 2009* of the Commonwealth) and the individual's employment is not subject to or covered by a modern award or enterprise agreement under that Act.

The purpose of these proposed inclusions is to provide greater clarity as to who is considered to be a labour hire worker. Through the provision of greater clarity, it is also envisaged that the use of exemptions is going to be kept to a bare minimum, if required at all.

Further, these changes would also provide for greater alignment with corresponding legislation in other jurisdictions that have labour hire licencing schemes in place.

It is also noted that the proposed inclusion of the interpretation of the term ***remuneration*** under section 6 'Interpretation' of the Draft Bill is as a consequence of the proposed inclusion of provision 8(2)(e).

Question

4. Do you agree with the proposed changes to the definition of 'labour hire worker'? Please provide reasons for your answer.

Transitional provisions

The Draft Bill currently does not provide for any transitional provisions.

Transitional provisions are temporary rules included in laws to help manage changes from old provisions to new ones. They provide guidance on how certain rights, obligations, or procedures will be handled during the transition period, ensuring a smooth shift without disruption.

Without clear transitional provisions, changes may create uncertainty, disputes, or unintended consequences. These provisions help understand how exiting provisions will be honoured and what new provisions will apply over time.

Questions

5. Are there any transitional provisions (i.e., specific to your industry) that may be required regarding the implementation of the proposed changes to South Australia's labour hire licensing laws?
6. If you consider transitional provisions to be required, what proposed period of time should apply to those transitional provisions?

3.1 Next steps

South Australian labour hire reforms

Public consultation on the proposed changes closes at 5pm, **21 August 2025**.

CBS will consider public consultation feedback received and provide a summary of feedback obtained to the Minister for Consumer and Business Affairs.

The Draft Bill will be finalised after considering public feedback and introduced into Parliament during the fourth quarter of 2025.

While the South Australian labour hire reforms are pursued, SA will continue to provide in-principle support for the development and implementation of a nationally harmonised labour hire scheme, which may replace the South Australian scheme in the medium to long-term, once agreed and enacted.

Appendix 1 – Summary of questions

1. Should exemptions under section 46 continue to be issued by notice in the Gazette, or alternatively be prescribed by the regulations?
2. Do you agree with the proposed broadening of the labour hire licensing laws? Please provide reasons for your answer.
3. Do you agree with the proposed changes to the definition of ‘labour hire services’? Please provide reasons for your answer.
4. Do you agree with the proposed changes to the definition of ‘labour hire worker’? Please provide reasons for your answer.
5. Are there any transitional provisions (i.e., specific to your industry) that may be required regarding the implementation of the proposed changes to South Australia’s labour hire licensing laws?
6. If you consider transitional provisions to be required, what proposed period of time should apply to those transitional provisions?

Appendix 2 – Examples of (proposed) license requirements

The below examples of labour hire services are provided as general guidance and are for illustrative purposes only.

Examples of labour hire services

Occupation or industry	Example	Yes, a licence is required	No, a licence is not required
Nursing and healthcare	A hospital asks a nursing temp agency to provide four extra nurses to work for two weeks. The temp agency supplies the nurses to work in the hospital. The temp agency pays the nurses' wages and invoices the hospital.	✓ A labour hire licence is required by the temp agency.	
	A business that operates a group of medical centres employs workers for the centres through a trust entity. The workers, including doctors, nurses and reception staff, are supplied to the medical centres to perform work.		✓ No licence is required, in accordance with the proposed new provision 8(2)(b).
Horticulture	A farmer needs their seasonal fruit picked and packed. A contractor supplies pickers and packers to work at the farm and invoices the farmer for the amount picked and packed. The contractor is responsible for paying the workers.	✓ The contractor requires a labour hire licence	
	A hostel operator supplies workers to pick vegetables locally and invoices the grower for the amount picked. The hostel operator is obliged to pay the workers staying in the hostel for the work performed.	✓ The hostel operator requires a labour hire licence.	
	Same as above, except that the grower pays the workers staying in the hostel directly.		✓ The grower does not require a labour hire licence.
Information technology (IT)	A business requires additional IT help desk workers to assist while a new IT system is being deployed. An IT recruitment service supplies the additional workers. The IT recruitment service pays those workers and invoices the business.	✓ The IT recruitment service requires a labour hire licence.	
	A business requires someone to design and implement a customer service solution. An IT firm submits a tender for the job and is paid for the completion of the job. The IT firm assumes responsibility for the scope of work and bears the associated commercial risks and legal responsibility for the work done.		✓ No labour hire licence is required by the IT firm.

Examples of labour hire services

Occupation or industry	Example	Yes, a licence is required	No, a licence is not required
	A senior IT manager is approached by a recruitment service about a specialist role at a large company. The recruitment service pays the IT manager $312,000 annually for their work. The IT manager is not covered by a modern award or enterprise agreement.		✓ No labour hire licence is required, in accordance with the proposed new provision 8(2)(e).
Building and construction industry	A building company is developing a block of apartments and subcontracts the electrical work to an electrical subcontractor, who is responsible for completing the electrical work as outlined in the contract, for a specified total sum. The subcontractor bears the commercial risk and legal responsibility for work done and for the rectification of any defects in the work.		✓ No labour licence is required by the electrical subcontractor.
	A business provides workers to a licensed trade contractor on an hourly rate to perform work for the trade contractor's business. The business does not provide materials, is not responsible for rectifying defects, and is not engaged to meet any other contractual obligations.	✓ The business requires a labour hire licence.	
	An earthmoving company is engaged to dig drains on a large commercial construction site. The earthmoving company provides large equipment and operators to dig the drains. The earth moving company is responsible under the contract to ensure the drains are dug according to plans and is responsible for rectifying defects in the work and damage caused.		✓ No licence is required by the earthmoving company.
	A building inspector is employed by the Department of Infrastructure and Transport. The inspector is a public sector employee within the meaning of the *Public Sector Act 2009* (SA). During a health pandemic, the building inspector is seconded to work for the Department of Health and Wellbeing for a 6-month period.		✓ No labour hire licence is required, in accordance with the proposed new provision 8(2)(c).
Security workers	A company operates a sporting venue. The company has a small directly employed security team, however, it uses security providers to supply additional crowd controllers during large events. The company pays the security providers per hour for each of the workers supplied.	✓ The security providers will require a labour hire licence.	
	A security company provides a pub with security staff. In accordance with the terms of their liquor licence, the pub is required to have a specified number of crowd controllers to manage the venue. The pub uses a security	✓ The security provider requires a labour hire licence.	

Examples of labour hire services

Occupation or industry	Example	Yes, a licence is required	No, a licence is not required
	provider to supply crowd controllers and pays the security provider per hour for each of the workers supplied.		
	A security company provides an alarm monitoring, mobile patrol and alarm response services. The security company is contracted to undertake perimeter checks, prevent and report damage, respond to alarms, and undertake internal and external inspections of premises. The workers are provided with a company vehicle by the security provider to perform the patrols.		✓ No labour hire licence is required by the security company for these activities.
	A security company has a contract with a financial institution to provide cash in transit services to that financial institution. The contract is for a fixed price per annum, which covers all cash in transit services within an agreed regular schedule. The security company provides the staff and equipment required. The security company is liable for any loss that occurs as a result of the cash in transit service and carry insurance to cover any such loss.		✓ No licence is required by the security company for this work.
Cleaning workers	A cleaning company is contracted by a sports club to provide cleaning staff for a community sports event being held on their grounds. The cleaning company agrees to supply 10 staff for five hours to conduct general cleaning duties including changing over wheelie bins and periodically cleaning the porta-loos. The cleaning company invoices the sports club on an hourly basis for each of the staff provided.	✓ The cleaning company requires a labour hire licence.	
	A hotel needs additional cleaners to clean their hotel rooms and contacts a cleaning business to organise the additional cleaners, who are paid by the cleaning business for the number of hours they work at the hotel.	✓ The cleaning business requires a labour hire licence.	
	A cleaning company has a contract to clean all the corporate offices for a large business after hours. Under the contract, the cleaning company is paid a fixed price for a year. The cleaning company is responsible under contract to deliver the specified cleaning services, supplies all materials and equipment, and is responsible to rectify defective work.		✓ No licence is required by the cleaning company for this work.
Traffic management	A traffic management company is contracted by event organisers to provide traffic management for a set fee. This company is responsible under the contract for obtaining the relevant permits, including submitting a		✓ No licence is required the traffic management

Examples of labour hire services

Occupation or industry	Example	Yes, a licence is required	No, a licence is not required
	traffic management plan, and having it approved by the relevant local council. The company supplies a team of qualified workers and a supervisor to attend the site with a company vehicle and is equipped with safety lights barriers and signage.		company for this work.
	Traffic Management Inc holds a similar contract to the above example on a large road project. Traffic Management Inc asks Redirect Pty Ltd to provide staff to attend and assist in managing traffic, as it doesn't have sufficient staff to meet requirements.	✓ Redirect Pty Ltd must have a labour hire licence.	
	A construction company requires assistance with traffic management around a construction site while the road is obstructed for a large delivery. The construction company has obtained the relevant permits and is responsible for ensuring conditions on the permits are met. Redirect Pty Ltd supplies two qualified workers to attend the site.	✓ The construction company is using labour hire and must ensure that Redirect Pty Ltd has a labour hire licence.	
Mining	A diesel fitter works in a mine as a contractor using his own ABN. He invoices the mine for his services and pays his own GST, etc.		✓ The diesel fitter is not providing a labour hire service because he is an individual worker.
	As above, except that the diesel fitter has incorporated a company. He is the only director of the company, and the only person supplied to work. Alternatively, as above except the diesel fitter and their spouse are both directors of the company (and the only two directors).		✓ No licence is required, in accordance with the proposed new provision 8(2)(d).
Food processing	A poultry processing plant directly employs administration and management and some operational staff but engages Workers Pty Ltd to provide workers to debone and pack chicken products.	✓ The poultry processing plant must ensure that Workers Pty Ltd has a labour hire licence.	
Landscaping	A landscaping business is comprised of a number of companies that are responsible for different aspects of the business. The business's workers are all employed by one of the companies and are supplied to work for one or more of the other companies within the business.		✓ No licence is required, in accordance with the proposed new provision 8(2)(b).