

Fact Sheet

Labour Hire Licensing Scheme

October 2019

Labour Hire Licensing Scheme starts 30 October 2019: Large penalties for 'providing' or 'using' unlicensed labour hire.

The Labour Hire Licensing Act 2018 (Act) establishes a licensing scheme to regulate labour hire providers and labour hire users in Victoria.

1. The Act applies far beyond traditional labour hire providers. Businesses that provide persons to do work for third parties (whether as employees or contractors) could be labour hire providers who will need to have applied for a licence by 29 October 2019.
2. Businesses that use labour supplied by third parties must ensure the labour hire provider has applied for a license by 29 October 2019.

Potential Penalties

1. Labour hire providers operating without licences from 30 October 2019 risk being unable to obtain a licence in the future and risk prosecution and fines in excess of \$500,000.
2. Labour hire users that obtain labour hire services from anyone other than a licensed provider from 30 October 2019 risk prosecution and fines in excess of \$500,000.
3. Labour hire users that do not report schemes set up by labour hire providers to avoid the Act, to the Labour Hire Licensing Authority risk prosecution.
4. Managers or directors 'involved in' contraventions of the Act may be prosecuted and subject to personal penalties in excess of \$132,000.

Key Industries – note 'key', this scheme is relevant to all industries, the ones listed below are the industries that it mainly effects.

1. Businesses in the contract cleaning, horticulture, meat processing, meat manufacturing and poultry processing industries will be subject to specific scrutiny and will likely be affected by the scheme.
2. All cleaning businesses supplying cleaners to commercial premises require a licence. All users of commercial cleaning businesses will be required to use licensed businesses or risk penalties.

* Exceptions Apply - For example: secondees, labour supplied within one recognisable business, directors of body corporates supplied and vocational placements as defined by the *Fair Work Act*.