

Article Information

Author: Emily Haar

Service: Employment & Labour

South Australia leaves Labour Hire Licensing behind

Before it had a chance to come into full effect, the South Australian government has announced that it is scrapping the Labour Hire Licensing Act 2017.

In 2017, the then South Australian Labor Government passed the *Labour Hire Licensing Act 2017 (SA) (the Act)*. The Act was one of a number of similar pieces of legislation introduced in Australia as a result of a Four Corners investigation alleging the exploitation and underpayment of migrant workers in several industries including produce picking and food factory work. The investigation revealed that migrants were being employed (and underpaid) by labour hire contractors, who then sold their employee's labour to farms and factories at low cost.

The Act created an obligation for organisations said to be engaged in "labour hire" to be licensed, and created an offence for someone to accept "labour hire" from an unlicensed person.

The scheme came under significant scrutiny from business groups, who said the definition of labour hire providers was too broad and too ambiguous.

The Act had come into effect on 1 March 2018, with organisations required to hold a license given a further six month grace-period to become licensed.

However, in March 2018, the Labor Government was replaced by a Liberal Government following the State election.

On 21 September 2018, the Attorney General announced that they would introduce legislation to repeal the Act by the end of the year. Consumer and Business Services have informed the public that they will cease accepting applications for licenses, and will refund any application fees that had already been paid upon the Act becoming repealed.

The Government announced that instead of a licensing scheme, a taskforce would be established to consider whether existing laws are sufficient to protect labour hire workers.

While a bill to repeal the Act has not yet been introduced into Parliament the Act is formally still in force, though apparently not to be enforced. If you have any concerns about what this might mean for your business, contact a member of Piper Alderman's Employment Relations team for assistance.