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MEMBER: Mr PEGG

 **Mr PEGG** (Stretton—ALP) (12.28 pm): I rise to speak on the inquiry into the practices of the labour hire industry which has recently been conducted by the Finance and Administration Committee. I want to say at the outset that I strongly believe we should be considering a licensing system for labour hire in Queensland—indeed, a universal licensing system.

Ms Grace: Hear, hear!

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Mr PEGG: I take that interjection from the minister. During May and June, public hearings were held with evidence from key stakeholders, employers and workers in the Queensland labour hire industry. Our committee heard many submissions on the effectiveness, nature, regulation and treatment of workers by labour hire companies during these hearings. As a former solicitor and also an industrial officer for the NUW, I was well aware of some of the practices engaged in by the labour hire industry. However, I was shocked to hear some of the evidence about practices engaged in by the labour hire industry and the exploitation of some of Queensland's most vulnerable workers.

We heard from many workers about the challenges they face from insecure employment, but I wanted to quote from someone who actually engages labour hire. For the benefit of the House, I will read a statement from Mr Gino Marcon who owns Marcon Family Farms and uses labour hire. His evidence shows the extent of abuse and vulnerability of these workers. He made the following statement in the public hearing on Wednesday, 22 June, and this is a direct quote—

If you asked me the question, 'Do we treat workers as slave labour?' I would have to say yes. Do we abuse them? I would say, yes, we do simply because the only cost we can control is the cost of labour.

This shows the extent of the shocking practices and abuse of workers that is happening in Queensland right now. It is shown through the statement of not only a worker but an actual employer. When employers are directly admitting to this, we have to think that something is not right with the way the labour hire industry is currently regulated. Something needs to be done to protect these workers and also the good people in the industry.

The labour hire industry is massively disaggregated, providing labour to practically every sector of the Australian economy. Companies in the labour hire industry provide workers to host companies on a casual and fixed term basis. Workers are employed by the labour hire agencies but take direction and perform duties for the host employer. The layers of contractual obligations and complications that arise through these labour hire arrangements can, in some instances, lead to exploitative practices, such as wage theft, extreme working hours and forced job insecurity—all of which are issues which the principal or host employer can avoid legal and moral responsibility for.

The structure of labour hire arrangements in their present form leaves workers vulnerable and insecure. Some of these workers are paid less than the minimum wage, they are denied superannuation, penalty rates and other minimum entitlements, and they are forced to work excessive hours in unsafe workplaces. The existence of worker exploitation, the lack of an effective compliance mechanism and the unlawful behaviour by labour hire operators in Queensland have been recognised by many. I believe we need to act upon this evidence and institute a licensing system.

Those opposite have said that a licensing system may not work or that we should leave this to the federal government to sort out. I honestly have no faith in the Turnbull government taking action on this important issue. I note that Bill Shorten and the federal opposition took a very strong policy in relation to this issue into the last federal election. I sincerely hope that the federal opposition will continue to maintain that. However, at a state level, we cannot stand idly by after learning of the extensive exploitative practices in place in Queensland merely because some may say it is a federal matter. We cannot sit here and turn our backs on this evidence. It is our duty as a government to address these issues and draw the attention of the federal government to these shocking practices. We need a licensing system to stop these injustices being perpetrated. We need to do what we can to the best of our ability.

There are a range of requirements that seem obvious and straightforward but are not being implemented at the present time. Vulnerable workers are being exploited through an inadequate regulatory scheme both nationally and at a state level. This is particularly perplexing, considering that Australia has a highly regulated employment system. For some reason, the labour hire industry has been able to fall through the cracks, and this needs to end. We all have a responsibility and a duty to correct the wrongs that are happening to the most vulnerable of Queensland workers and update our laws so we are better able to protect these people. Queensland is always at its best when it leads the way. This state should lead the way and provide an example for the rest of the country.