



Hon Bill Johnston MLA
Minister for Mines and Petroleum; Energy; Industrial Relations

Our Ref: 71-10648
Your Ref: Petition 110

Hon Matthew Swinbourn MLC
Chair
Standing Committee on Environment and Public Affairs
Parliament House
4 Harvest Terrace
WEST PERTH WA 6005


Dear Mr Swinbourn

PETITION NO. 110 – LABOUR HIRE PRACTICES

Thank you for your correspondence requesting my comments on the above petition and the submission of the principal petitioner.

The Government has considerable concerns about non-compliance with legal obligations in the labour hire industry. Inquiries in other States and the Commonwealth have identified evidence of exploitation of vulnerable workers by labour hire operators.

I agree that there is merit to a Parliamentary Inquiry investigating the extent of non-compliance with legal obligations in the labour hire industry in Western Australia with a view to ascertaining whether legislation could address issues in the industry.

However, in this context, I would draw to the attention of the Committee the following recent developments that may result in some issues in the labour hire industry being addressed:

- The Inquiry into Wage Theft is currently being undertaken by Mr Tony Beech, former Chief Commissioner of the Western Australian Industrial Relations Commission. When that Inquiry is concluded next month, I will direct the Department of Mines, Industry Regulation and Safety to advise what actions can be taken in response to the recommendations and the Government will then consider that advice.
- The Government's proposed reforms arising from key recommendations of the Ministerial Review of the State Industrial Relations System undertaken by Mr Mark Ritter SC and Mr Stephen Price MLA will impact on unincorporated labour hire operators if they contravene State industrial relations laws (e.g. increased penalties).
- Safety and health laws in Western Australia cover labour hire arrangements. The Victorian *Inquiry into the Labour Hire Industry and Insecure Work* made recommendations to adopt aspects of the national model Work Health and Safety (WHS) Bill to ensure the labour hire industry is covered by WHS laws. The

McGowan Government is developing proposals to modernise Western Australia's WHS laws based on the national model WHS Bill and I will be making an announcement regarding these proposals in the near future.

- The Federal Government's response in March 2019 to the Report of the Migrant Workers' Taskforce included the following commitment:

"The Government will finalise and introduce a model, in consultation with stakeholders, for a National Labour Hire Registration Scheme that will reduce worker exploitation, improve accountability, provide greater transparency and drive behavioural change among labour hire operators in high-risk sectors, without causing major disruption to the entire labour hire industry."

While the details of the proposed national registration scheme are yet to be finalised, I am particularly interested in the constitutional basis for such laws and the accompanying intergovernmental arrangements to implement them.

The Department of Mines, Industry Regulation and Safety will be providing me with a review of the operation of the labour hire licensing schemes in Queensland and Victoria in due course, which will assist in informing any further response by the Government to address issues in the labour hire industry.

In my view the identification of evidence of exploitation in the labour hire industry, particularly the identification of issues specific to Western Australia, would be a useful function for the Committee to undertake.

Yours sincerely



Hon Bill Johnston MLA
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28 MAY 2019