



COMMON SENSE PREVAILS WITH RELEASE OF LABOUR HIRE REGULATIONS

NEWS UPDATE

Our recent [newsletter article](#) detailed the proposed Labour Hire regulations which were set to impact businesses across a variety of industries, not just those operating in the labour hire sector.

With the release of the regulations on Monday, small and family businesses have received welcome relief from situations where the draft regulations may have previously had a significant impact.

Crucially, the regulations provide further clarification on what constitutes a labour hire business for the purposes of the Act, as well as providing some exemptions for “prescribed employees”.

Prescribed or exempt employees include:

1. Employees who have an annual rate of earnings in excess of \$142,000 (the Fair Work Act high income threshold) and are not covered by an award or enterprise agreement;
2. Executive officers of a corporation if this executive officer is the only person supplied to perform work;
3. In-house employees who are supplied on a temporary basis on one or more occasions (i.e. secondments); or
4. Workers who are provided to another entity within the same group to perform work as part of a group that carry on a business collectively as a single recognisable business.

Importantly, many small and family businesses, who have a stand-alone employment or service entity as part of their group, will not be captured by the new Labour Hire regimes.

The regulations have also stipulated the applicable annual licensing fee for those providers who are captured under the Act.

The licensing categories are:

- Tier 1 (\$1,000) – a business projected to pay less than \$1.5 million in wages to the labour hire employees in a financial year;
- Tier 2 (\$3,000) – a business projected to pay more than \$1.5 million but less than \$5 million in wages to the labour hire employees in a financial year;
- Tier 3 (\$5,000) – a business projected to pay more than \$5 million in wages to the labour hire employees in a financial year.

The release of the Labour Hire regulations has provided welcome relief for many employers, however there will still be a number of scenarios under which businesses will be required to obtain a licence.

If you are unsure of your businesses labour hire licensing obligations or would like to discuss the regulations in more detail, please contact our office.

Find out how we can help, contact our office.

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