

Labour Hire Licensing Bill 2017

Explanatory Notes

For amendments to be moved during consideration in detail by
The Honourable Grace Grace MP
Minister for Employment and Industrial Relations,
Minister for Racing and Minister for Multicultural Affairs

Title of the Bill

Labour Hire Licensing Bill 2017

Policy objectives and the reasons for them

Amendments to the Labour Hire Licensing Bill 2017 (the Bill) to be moved during consideration in detail respond to comment by the Finance and Administration Committee in its Report on the Bill, and subsequent discussions with stakeholders.

In particular the amendments will

- Improve the commencement arrangements of the Bill where new obligations are being introduced for existing industry participants; and
- clarify that the *Payroll Tax Act 1971 (Qld)* is included within the definition of a relevant law.

Achievement of policy objectives

The objectives of the amendments will be achieved by amending Part 11 of the Bill (Transitional Provisions) at clause 109 to extend the period from 28 days to 60 days during which time an existing or new labour hire provider is to make application for a license following the commencement of the Act; and including the *Payroll Tax Act 1971 (Qld)* in the list of examples of a relevant law set out in Schedule 1.

Alternative ways of achieving policy objectives

There are no alternative ways of achieving the policy objectives. The policy objectives can only be achieved by legislative amendment.

Estimated cost for government implementation

There are no additional costs anticipated to be associated with these amendments.

Consistency with fundamental legislative principles

The amendments are consistent with fundamental legislative principles.

Consultation

The report of the Finance and Administration Committee regarding the Labour Hire Licensing Bill 2017 (Report No. 41, 55th Parliament) commented, at page 30, “(T)he committee suggests a longer transitional period is necessary. Forty (40) to sixty (60) days is considered appropriate, and consistent with transitional arrangements in other legislation where new obligations have been introduced for industry”.

The Office of State Revenue, Queensland Treasury has been consulted and supports the inclusion of the *Payroll Tax Act 1971* as an example of a relevant law.

Consistency with legislation of other jurisdictions

The Bill is specific to the State of Queensland, and is not required to be uniform with or complementary to legislation of the Commonwealth or another state.

Notes on provisions

Amendment 1 amends clause 109, to omit all instances of ‘28’ and replace with ‘60’.

This amendment will extend the transitional period from commencement of the Bill from 28 days to 60 days during which time persons who would otherwise be a provider of labour hire services under section 7 of the Bill are not taken to be until the later of (a) sixty days after the commencement of the Bill, or if the person has applied for a licence within sixty days after the commencement, the day the application is decided (i.e. licence is granted or person is advised that licence will not be granted). This is to allow sufficient time for a person providing labour services at the time of commencement or shortly after to make their application to be a licensed provider without the other obligations or penalties of the Bill applying for those sixty days or longer period if the person has applied for the licence but it has not yet been decided within sixty days from commencement.

Amendment 2 amends ‘relevant law’ definition under Schedule 1, Dictionary to insert ‘*Payroll Tax Act 1971*’ in list of *examples* of relevant law.

Amendment 2 clarifies that the *Payroll Tax Act 1971* is a relevant law for the purposes of the Bill. Compliance with all relevant laws is a condition of license. Evasion of payroll tax obligations is an indicator of poor business practice and a characteristic of businesses which engage in phoenix behaviour. It is appropriate and necessary for the effective operation of the scheme that compliance with payroll tax obligations is included under the obligations in relation to applying for and holding a license.