



Independent Contracting and Labour Hire: *Making it Work*

Improved occupational health and safety, clarifying responsibilities for labour hire agencies and host businesses, increased information assistance for independent contractors, and independent contractor regulation under commercial law are the workforce issues tackled in a new report released today by the House of Representatives Standing Committee on Employment, Workplace Relations and Workforce Participation.

The report, *Making it Work: inquiry into independent contracting and labour hire arrangements*, makes a total of 16 recommendations. The Chair of the Committee, Mr Phil Barresi MP said “In a highly competitive global market, flexibility and response times are crucial and, as a result, demand from companies for labour hire and independent contractor services has increased over the last 20 years.”

“Currently over 10 per cent of the workforce identify as independent contractors and over 3 per cent as labour hire workers. These types of working arrangements are found across a wide variety of industries.”

Many workers select these working arrangements by choice, however, it was reported there was also a ‘take-it or leave-it’ approach by some employers or principal contractors.

“The Committee investigated whether labour hire and independent contracting arrangements are, in some instances, being used to evade responsibilities – particularly in the areas of occupational health and safety and employee entitlements,” Mr Barresi said.

“A number of strategies were recommended to provide assistance for establishing and improving genuine arrangements and reduce the opportunities for establishing artificial arrangements that seek to avoid responsibilities.”

The 16 recommendations are included to address:

- the occupational health and safety of labour hire workers and independent contractors;
- improved access to skill development and training for labour hire workers;
- a voluntary code of practice for the labour hire industry;
- greater consistency across federal, state and territory legislation in differentiating between independent contractors and employees;
- improved access to information to outline the rights and responsibilities of independent contractors;
- regulation of independent contractors under commercial law; and
- improved access to different dispute resolution procedures for independent contractors.

The inquiry into independent contracting and labour hire arrangements was announced early in 2005, and the Committee was asked to report mid-year. The Employment Committee received over 75 submissions and public hearings were conducted across Australia.

There was unanimous agreement on nine of the 16 recommendations. There was dissent from non-government members on a preferred national approach to defining employees, and the need for using the Australian Industrial Relations Commission. Additional recommendations were also suggested.

Copies of the report can be obtained by contacting the committee secretariat on (02) 6277 4162 emailing ewrwp.reps@aph.gov.au or on the Committee’s website at <http://www.aph.gov.au/house/committee/ewrwp/independentcontracting/index.htm>

For media comment

please contact the Committee Chair Mr Phil Barresi at Parliament House on (02) 6277 4350 or Electorate Office on (03) 9873 8351

For information

contact the Committee Secretary, on (02) 6277 4162