



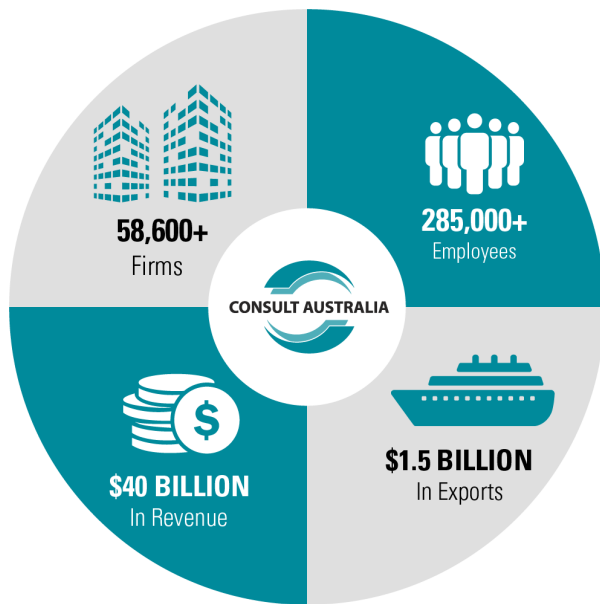
August 2025 Labour Hire Licensing Reforms

SUBMISSION TO SA DEPARTMENT OF CONSUMER
AND BUSINESS

Consult Australia

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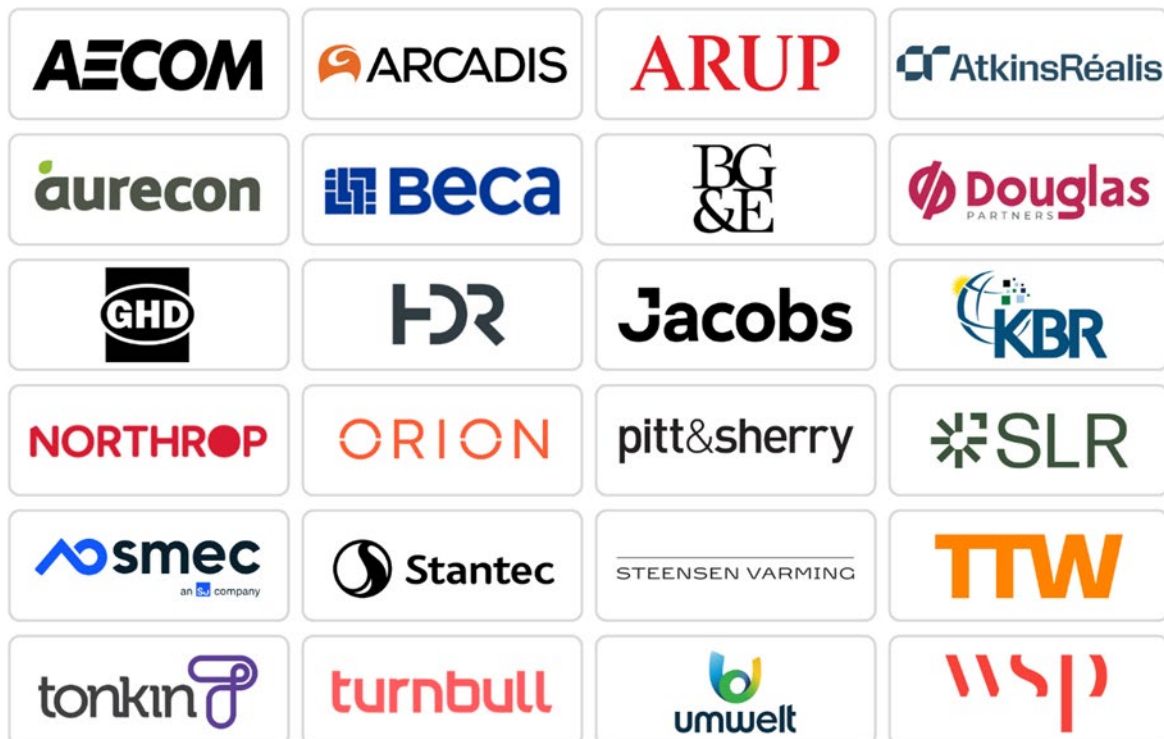
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About us

Consult Australia is the industry association representing consulting businesses in design, advisory and engineering, an industry comprised of over 58,600 businesses across Australia. This includes some of Australia's top 500 companies and many small businesses (97%). Our members provide solutions for individual consumers through to major companies in the private sector and across all tiers of government. Our industry directly employs over 285,000 people in architectural, engineering and technical services and many more in advisory and business support. It is also a job creator for the Australian economy; the services we provide unlock many more jobs across the construction industry and the broader community.

Our members include:



A full membership list is available on our [website](#).

Executive summary

In response to the SA Department of Consumer and Business Services' consultation on labour hire licensing reforms, Consult Australia provides this submission.

The members of Consult Australia have a vital role in the broader construction industry, with a well-established role in supporting planning, design and delivery. The highly technical services our members provide are critical to deliver the government's construction priorities. With every design, advisory and engineering service provided by our membership, there is a positive impact on job growth, community connectivity and economic productivity.

The broadening of the labour hire licensing laws, to largely the same arrangement as were in place in 2018, is strongly opposed by Consult Australia and its members. The original Act and Regulations were drafted broadly and captured arrangements used by design, advisory and engineering consultants. We secured a broad exemption from the government for any business where labour hire was not their core business. Then, in 2020, the legislation was amended to ensure a focus on specific industries (horticulture processing, meat processing, seafood processing, cleaning, and trolley collection) making it clear that Consult Australia members are not captured by the scheme.

The original policy intent of the law was to protect vulnerable workers – and any reform should ensure that is the case and not burden other businesses with regulation that does not provide a community benefit.

We recommend that the SA government retain specific and well targeted regulation over broad regulation that could capture sectors that do not need regulatory intervention.

Purpose of the laws

Labour hire laws were introduced in various jurisdictions to protect vulnerable workers from exploitation, and to promote the integrity of the labour hire industry. There were specific concerns about certain industries including where workers were on visas, and/or lower income earners. There were no concerns about professional design, advisory or engineering specialists who are generally well remunerated. We agree with this original policy intent.

The fact that labour hire licensing schemes can capture design, advisory and engineering consultancy firms is outside the original intent of the legislation and disproportionately burdens these businesses. It is hard to see how the workers or the clients of our members see any benefit from our members being caught by labour hire licensing.

We believe the SA exclusion for businesses where labour hire is not a core function still met the policy intent, as did the 2020 reforms explicitly listing the industries of concern.

Consult Australia does not believe that the current legislation in SA leaves workers in our industry without important protections. We argue that not all businesses that have arrangements that technically could meet the definition of labour hire should be required to meet the licensing criteria.

Consult Australia does not see the move back to settings like 2018, as necessary and certainly in our industry will not address the potential for exploitation of vulnerable workers and inappropriate business practices.

How a consulting business can be captured

Consult Australia members do not provide labour hire service as a core function of their business. However, they are frequently caught by a technical reading of the legislation. Due to the drafting of labour hire laws, some workforce arrangements undertaken by a design, advisory, engineering consulting business could be captured, requiring the business to have a labour hire licence when providing workers in certain circumstances.

For example, Consult Australia members can:

- supply a worker to perform work within another organisation – for example, a client's office under the direction and control of a client.
- use/engage a worker from another organisation – for example, to perform work under direction of the business.

Since the clarity of the 2020 SA reforms, our members had considered SA to be an exemplar compared to other jurisdictions (such as ACT, Qld and Vic). For example, in Qld several members have noted that their labour hire workers are often engaged through labour hire firms, to fulfil specialist roles for clients, and are captured twice by the regime (that is both the labour hire firm supplying the workers must hold a licence and the Consult Australia business must also hold a licence).

The core business of Consult Australia members in design, advisory and engineering, and the supply of specialist workers is an incidental function of the business. For example, for one of our global business members, with over 3,500 employees, there is usually approximately ten arrangements across one year that would need reporting under the current labour hire arrangements in Qld and Vic. As noted below, the administrative burden far exceeds the value of reporting on these arrangements.

The cost to business

Consult Australia argues that the burden of reporting and applying for a licence far outweighs the risk of exploitation of the professional services workers provided by engineering, design and advisory consultancy businesses.

While the licensing fees are relatively modest, the time costs are significant and occupies the attention of critical and busy staff. The reporting is annually for Vic and twice a year for Qld. Our members have estimated the cost of reporting 10 arrangements across Vic and Qld to be more than \$200,000 and often requires two to three months' work per reporting period. The process of identifying and capturing these arrangements is manual and cumbersome because the service offering is not core business. The steps and resources of the business typically needed for reporting include:

- Application:
 - Audit of all relevant arrangements, needing:
 - 2-3 members of the internal legal team
 - 2-3 administrative staff
 - external legal advice required for niche arrangements
 - involvement of the Regional Operations Director to identify projects.
 - interaction with project managers for all identified projects (could be 20+ individuals).

- Application and relevant person checks, needing:
 - 1-2 members of the internal legal team
 - 2-3 administrative staff
 - involvement of Directors and Company Secretary
 - involvement of Regional Operations Director.
- Renewal:
 - Audit of all relevant arrangements, needing:
 - 2-3 members of the internal legal team
 - 2-3 administrative staff
 - external legal advice required for niche arrangements
 - involvement of the Regional Operations Director to identify projects.
 - interaction with project managers for all identified projects (could be 50+ individuals).
 - Submission
 - 1-2 members of the internal legal team
 - involvement of a Director or the Company Secretary
 - involvement of Regional Operations Director.

It is reasonable to assume that where a business incurs such compliance costs because of client requirements (including government clients), that cost will inevitably need to be passed on in some way.

Recommended approaches

Consult Australia recommends that the SA government retain specific and well targeted regulation for labour hire licensing laws, which explicitly define which industries need regulatory intervention.

If the SA government does not retain the specifics about industries in the legislation, Consult Australia advocates for a clear and explicit exemption from the outset for businesses providing professional services such as design, advisory and engineering services. Consult Australia supports those amendments being issued by notice in the Gazette to provide flexibility.

For clarity, Consult Australia does not recommend the exemptions available in ACT, Vic or Qld. These exemptions are not comprehensive because they fail to exempt all arrangements that involve our members. Similarly, the definitions of 'labour hire worker' proposed on pages 13-14 of the discussion paper are not comprehensive enough to exempt our members and the broad range of arrangements entered by them.

A nationally consistent approach

Consult Australia notes the national context provided in the discussion paper, especially the intent of a future single national labour hire licensing scheme that would replace existing state and territory labour hire licensing schemes to ensure a single set of regulatory obligations apply to labour hire providers across Australia.

Importantly, while Workplace Relations Ministers have agreed to publish the endorsed model and senior officials were tasked with developing a strategy for consultation with business, industry, unions and other stakeholders – these have not yet been released.

To be clear, Consult Australia would advocate that the national scheme should only cover the industries as needing regulatory intervention.

Contact

We would welcome any opportunity to further discuss the issues raised in this submission.



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Thanks to our Industry Champions

For their outstanding leadership and engagement on behalf of the industry.



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