



HOUSE OF ASSEMBLY
TUESDAY 26th SEPTEMBER 2017
LABOUR HIRE LICENSING BILL

Second Reading

Adjourned debate on second reading.

(Continued from 10 August 2017.)

Mr PEDERICK (Hammond) (17:00): I rise to speak to the labour hire bill 2017 and note that it was introduced by the Attorney-General on 10 August 2017. What the bill is seeking to do is to provide for the licensing and regulation of persons who provide labour hire services. Essentially, this requires a person to be licensed who provides labour hire services, with a fit and proper person test, and provide penalties for deregistration in the event of noncompliance with the act or standards set. It is proposed in the bill that Consumer and Business Services will be responsible for the administration of the scheme.

It is noted that there was a program in May 2015 on the ABC's *Four Corners* that reported alleged exploitation and underpayment of migrant workers. It targeted alleged abuse of migrant workers on farms and in the food processing industry. It was noted that the Premier had announced a parliamentary inquiry by the Economic and Finance Committee to look into the labour hire industry, including the underpayment of wages, harassment and mistreatment. This report was published on 18 October 2016. It recommended a national licensing scheme in this field.

Meanwhile, discussion at the national and state ministers' level has been to (a) establish a task force to deal with compliance and enforcement and a second task force to deal with what is called 'phoenixing', when basically one hire business folds up and another one rises from the ashes, and (b) pass a national vulnerable workers' bill to increase penalties.

As a background to this bill, SafeWork SA was to provide for the investigation and prosecution of work health and safety issues in the workplace, but not misconduct in respect of the exploitation of workers. It is noted that the government's answer is to establish a licensing scheme, as they do with most industries, providing a means to control an industry and build the empire of Consumer and Business Services. The commonwealth approach has been to prosecute people who break the law.

We have called for detail of the 442 labour hire services apparently operating in South Australia, particulars of prosecutions in the Fair Work Commission and particulars of SafeWork SA cases and prosecutions that cover the vulnerable 457 visa and other labour hire workers in South Australia. Anecdotally, the areas of industry include agriculture, horticulture, meatworkers, cleaners, construction and food packaging and processing.

It is noted that, in regard to other jurisdictions, the commonwealth has no national scheme at this stage. Queensland passed similar legislation on 7 September 2017, and this was promoted by Premier

Palaszczuk in the same vein—as protecting vulnerable workers. It is noted that the Queensland Liberal National Party opposed the bill in its entirety. In Victoria, the Labor government is currently drafting similar legislation.

It is noted that the shadow attorney-general had a briefing, and it was claimed that ReturnToWorkSA and RevenueSA support that bill amendments are being considered. I have had a brief look at the South Australian Wine Industry Association submission, and members here would be particularly interested in that it recommends a suite of amendments to a number of areas, including the considerable breadth of the bill, the broadness of definitions, the determination of who is a fit and proper person and right of entry provisions, among other things.

Certainly in the electorate of Hammond, with a lot of primary production and a lot of value-add primary production, there is a lot of agriculture and horticulture. We have the Thomas Foods meatworks, we have Big River Pork and there is a lot of production in regard to Ingham's chickens, which is increasing its production in our area at Yumali, past Coomandook, where I live. They are putting in 24 layer sheds and the first of those sheds is operating. The way the chicken industry is going, they could soon be building another 24 sheds down there.

There is a massive expansion of the chicken industry in the region between Monarto and Yumali. These sheds are about \$1 million each to put up, and it is not just these layer sheds that have gone in; there are grower sheds to grow the chickens. You can see the trucks coming up and down the road, day and night, through to the Ingham's factory in Adelaide. As I mentioned, we have Big River Pork and Thomas Foods International, which has for a long time been reliant on 457 Visa workers.

I have expressed my angst about the fact that in the area around Murray Bridge, where there is 10 per cent unemployment, we still so desperately need and truly value these workers under these schemes because otherwise we would not get the throughput of the value-add work done in the processing sector in the region. I also note that Adelaide Mushrooms, owned by the Costa Group, is about to double in size, with an investment of \$64 million and their biggest issue is whether they can get the 200 to 250 staff they require. There is plenty happening in my area.

With respect to the Wine Industry Association submission, there have been plenty of labour hire companies employed. In my electorate, the Langhorne Creek is a great wine region. Sometimes people do not give it the credit it deserves, but some great wines come out of the region, and certainly labour hire companies come in there. I must say that there was an issue a few years ago that I managed to sort out through the tax arrangements. I went to the Attorney-General in regard to that and we did get a favourable response for a local labour hire company.

The bill does seem to be a big stick to regulate the issue. We need sensible amendments to get through to make sure that we get the right regulation around labour hire. That is not saying that something should not be done, but we should do it in the right manner. We do not want these sharks in the industry, if there are any out there, doing things that are not right for those valuable workers on the land. As I said, many of these people come from overseas, and certainly in my electorate they come from all parts of Asia, Africa and Afghanistan.

All these different nationalities have made a massive contribution in my electorate. Certainly, in regard to the Chinese, many have become citizens. A wave of about 300 workers came in many years ago and they bought out the bike shop. They bought every bike in the place, I think, and they had to get more in. Then they have slowly progressed, adding more value to the local economy and progressing to getting their licences and driving cars to get to work.

They truly are valued. We have to have the right thing done. That said, we have to make sure that we get the right amendments so that we get the right legislative response, so that the work of these

people is truly valued and respected and so that it is noted that they are essential, certainly in primary production and in the primary production processing area, not just in my electorate but right throughout the state.