QUEENSLAND PRODUCTIVITY COMMISSION

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28 March 2017

Ms Kate Spiers
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Queensland Treasury
Level 11, 1 William St
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Dear Ms Spiers

Decision Regulatory Impact Statement – Regulation of the Labour Hire Industry

Thank you for your enquiry of 18 January 2017, and further information provided on 14, 21 and 27 March 2017, seeking advice on the adequacy of the 'Regulation of the Labour Hire Industry' Decision Regulatory Impact Statement (RIS).

Background

The Queensland Productivity Commission (the Commission) was asked by the Office of Industrial Relations, Queensland Treasury (the Department) to provide advice on the comparability of the 'Regulation of the Hire Industry 2016 Issues Paper' (Issues Paper) to a RIS document and process.

Issues Paper and equivalence to a consultation RIS

The Issues Paper released by the Department on 15 December 2016 provided stakeholders with a suite of proposals to regulate the Labour Hire Industry in Queensland. The Department received 40 submissions in response to the Issues Paper.

In undertaking its assessment of the adequacy of a consultation RIS to be considered fit for public consultation, the Commission must consider the 'criteria for assessment' in the Queensland Government's Guide to Better Regulation (the Guidelines). This includes an adequate analysis of the costs and benefits of the feasible options.

The Commission considered that for the Issues Paper to be considered to be equivalent to a consultation RIS, additional impact analysis would be required for consultation. Consultation was considered particularly relevant given the options presented in the paper included the introduction of licensing fees models.

The Commission advised the Department that should the Department include the impact analysis for the proposed options, the Issues Paper could be considered suitable for consultation and be equivalent to a consultation RIS.

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Decision RIS

A decision RIS builds on a consultation RIS, by incorporating issues raised in submissions, including how stakeholder views were taken into consideration by the Department in developing its final recommendation.

The Department undertook additional consultation with key stakeholders on the impacts of the proposals presented in the Issues Paper, with industry, government agencies and inter-governmental departments from other jurisdictions.

The proposed decision RIS presents four options for regulating the labour hire in Queensland.

1. No regulation
2. Self-regulation
3. Independent body administers a licensing scheme
4. Government department administers the licensing scheme.

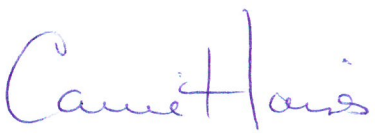
The Department's recommended option (four), includes the establishment of a compliance unit within government designed to enable improved service delivery and provide equitable support to workers, labour hire providers and host employers in understanding their rights and obligations in the industry.

The recommended option in the decision RIS amends the proposed licensing fee framework to include a fee scale for small and large labour hire providers. Based on stakeholder feedback, the licencing fee is supported. The Commission notes however, the fee amounts attributed to small or large scale labour hire providers are not fully developed in the decision RIS and therefore impacts or potential for adverse impacts remain unknown. On this basis, the Commission considers further impact analysis and consultation on the fees should be undertaken.

In assessing the adequacy of the remainder of the decision RIS, the Commission considers the Department has summarised the key issues raised in submissions from stakeholders on the consultation RIS (Issues Paper), plus further feedback from stakeholder consultations and addressed relevant matters where appropriate. The Commission therefore considers the remaining elements of the decision RIS is adequate to support the decision maker's consideration of the regulatory proposal.

Please contact Amanda Rohan, Senior Analyst on (07) 3015 5123 if you require any additional information or guidance in relation to the above comments or the Queensland Government Guide to Better Regulation.

Yours sincerely



Carrie Haines
Team Leader