

Managing your labour contracting

It makes business sense to check that your contractors and any subcontractors in the supply chain comply with workplace laws.

Where do I start?

When you are looking to contract out labour, it's a good idea to make sure you understand the cost of employment. Your contractor/subcontractor will need to pay their employees correctly as well as cover employment costs (like superannuation, workers' compensation, payroll tax, insurance and licenses). If you understand these costs, it'll help you make sure the contracted price isn't too low.

Some states have laws requiring labour hire businesses to be licensed. These laws are managed by the relevant states.

To find out about applying for a licence, commencement dates and compliance, contact:

- Queensland - Labour Hire Licensing Queensland [☞](http://www.labourhire.qld.gov.au/) (<http://www.labourhire.qld.gov.au/>)
- South Australia - Consumer and Business Services [☞](https://www.sa.gov.au/topics/business-and-trade/licensing/labour-hire/labour-hire-licence) (<https://www.sa.gov.au/topics/business-and-trade/licensing/labour-hire/labour-hire-licence>)
- Victoria - Labour Hire Authority [☞](https://labourhireauthority.vic.gov.au/) (<https://labourhireauthority.vic.gov.au/>)

Follow our 5 steps to effectively engage a new contractor

The steps are:

- Know the pay and conditions that apply.
- Ask potential contractors about their workplace practices.
- Check the contract price to make sure it's enough to cover wages.
- Set clear expectations.
- Make sure you know of subcontracting arrangements.

We've developed resources to help you do this:

- [Guide to labour contracting \(DOCX 138.1KB\)](http://www.fairwork.gov.au/ArticleDocuments/712/guide-to-labour-contracting.docx.aspx) (www.fairwork.gov.au/ArticleDocuments/712/guide-to-labour-contracting.docx.aspx) ([PDF 1.3MB](http://www.fairwork.gov.au/ArticleDocuments/712/guide-to-labour-contracting.pdf.aspx)) (www.fairwork.gov.au/ArticleDocuments/712/guide-to-labour-contracting.pdf.aspx) - help on how to use our 5 steps to select a potential contractor and identify if they are complying with workplace laws
- [Guide to contracting labour for small business \(DOCX 86KB\)](http://www.fairwork.gov.au/ArticleDocuments/712/guide-to-contracting-labour-for-small-business.docx.aspx) (www.fairwork.gov.au/ArticleDocuments/712/guide-to-contracting-labour-for-small-business.docx.aspx) ([PDF 1.2MB](http://www.fairwork.gov.au/ArticleDocuments/712/guide-to-contracting-labour-for-small-business.pdf.aspx)) (www.fairwork.gov.au/ArticleDocuments/712/guide-to-contracting-labour-for-small-business.pdf.aspx) - checks for small business owners who are considering contracting work, to minimise your risk of hiring a non-compliant contractor

Review your existing contracts

Things change over time. You can follow these 3 steps to check whether there are any issues in your contracting network:

- Map your existing contracts.
- Examine compliance with workplace laws.
- Act on any problems you find.

Read our [Guide to monitoring your labour contracting \(DOCX 1.8MB\)](http://www.fairwork.gov.au/ArticleDocuments/712/guide-to-monitoring-your-labour-contracting.docx.aspx) (www.fairwork.gov.au/ArticleDocuments/712/guide-to-monitoring-your-labour-contracting.docx.aspx) ([PDF 1.5MB](http://www.fairwork.gov.au/ArticleDocuments/712/guide-to-monitoring-your-labour-contracting.pdf.aspx)) (www.fairwork.gov.au/ArticleDocuments/712/guide-to-monitoring-your-labour-contracting.pdf.aspx) for help on mapping existing contractors and subcontractors, checking compliance and addressing any problems

Regular self-audits can help. You (and your contractors) can use our [Guide to self-auditing your business \(DOCX 112.1KB\)](http://www.fairwork.gov.au/ArticleDocuments/712/guide-to-self-auditing-your-business.docx.aspx) (www.fairwork.gov.au/ArticleDocuments/712/guide-to-self-auditing-your-business.docx.aspx) ([PDF 900.8KB](http://www.fairwork.gov.au/ArticleDocuments/712/guide-to-self-auditing-your-business.pdf.aspx)) (www.fairwork.gov.au/ArticleDocuments/712/guide-to-self-auditing-your-business.pdf.aspx) to check you're complying with workplace laws.

What we do

We work with businesses, associations and government to help them get it right when it comes to contracting labour and supply chains.

We:

- are running a campaign to help [local government with their security contractors and subcontractors \(www.fairwork.gov.au/how-we-will-help/helping-the-community/campaigns/national-campaigns/local-government-procurement-initiative\)](http://www.fairwork.gov.au/how-we-will-help/helping-the-community/campaigns/national-campaigns/local-government-procurement-initiative) (i.e. how they engage contractors and subcontractors)
- are looking at how [charities use labour to get donations \(www.fairwork.gov.au/how-we-will-help/helping-the-community/campaigns/national-campaigns/charity-collection-inquiry\)](http://www.fairwork.gov.au/how-we-will-help/helping-the-community/campaigns/national-campaigns/charity-collection-inquiry)
- have [spoken about our work to help build a culture of compliance in Australia's labour supply chains \(www.fairwork.gov.au/about-us/news-and-media-releases/speeches#alera-national-conference-speech\)](http://www.fairwork.gov.au/about-us/news-and-media-releases/speeches#alera-national-conference-speech)
- have worked with large businesses to [improve staff training and business practices in hotels \(www.fairwork.gov.au/about-us/news-and-media-releases/archived-media-releases/2016-media-releases/may-2016/20160520-hotel-housekeepers-inquiry\)](http://www.fairwork.gov.au/about-us/news-and-media-releases/archived-media-releases/2016-media-releases/may-2016/20160520-hotel-housekeepers-inquiry) .

What to do next

- Use our [Pay Calculator \(http://calculate.fairwork.gov.au/FindYourAward\)](http://calculate.fairwork.gov.au/FindYourAward) to find minimum pay rates including penalties and overtime.

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Contact us

Fair Work Online: www.fairwork.gov.au

Fair Work Infoline: 13 13 94

Need language help?

Contact the Translating and Interpreting Service (TIS) on 13 14 50

Hearing & speech assistance

Call through the National Relay Service (NRS):

For TTY: 13 36 77. Ask for the Fair Work Infoline 13 13 94

Speak & Listen: 1300 555 727. Ask for the Fair Work Infoline 13 13 94

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