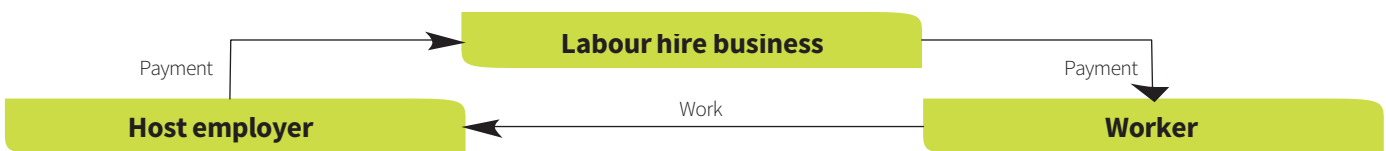




Labour hire Q&As – for labour hire businesses

What is a labour hire arrangement?

A labour hire arrangement is one where a labour hire business or agency provides labour (workers) to the host employer. The labour hire business is ultimately the employer and responsible for the worker's remuneration and therefore their work injury insurance.



If products and services other than labour are being supplied to a client then you are not typically considered a labour hire business. For example, an electrician who supplies their trade labour as well as materials, specialist tools and equipment would not be considered a labour hire business.

Are labour hire businesses required to be registered with ReturnToWorkSA?

If you operate a business in South Australia that employs workers, it is likely you will be required to register with us.

You must register for work injury insurance cover within 14 days of employing someone that meets the **definition of a worker**.

In most cases, a labour hire business will employ at least some workers, even if it uses subcontractors to supply labour to host employers.

Exemptions

If you will pay your workers less than \$13,041 in total for the 2019-20 financial year, you do not need to register. However, if one of your workers is injured at work, you must contact us to report the injury and at this time you will need to register and pay our **minimum premium**.

For further information about registering your business, please download **Your work injury insurance**, contact us on **13 18 55** or email **premium@rtwsa.com**.

What happens if I do not register with ReturnToWorkSA?

The *Return to Work Act 2014* allows for significant penalties to be imposed in the event that a business employs workers in South Australia without a current registration. The maximum penalty for a person found guilty of this offence is \$10,000 for each worker employed.

I'm already registered for workers compensation insurance in another state but I have employees working in South Australia. Do I need to register with ReturnToWorkSA?

In this instance, a series of tests need to be applied to determine a worker's 'state of connection' which will outline if you need to register with us. For more information on interstate workers and to complete the test, see the following links:

Who is a worker?

Insurance cover for cross border workers

What should be included in declared remuneration?

If you are a South Australian business registered with us, you will need to provide an employer remuneration return by 15 September every year to help us accurately calculate your insurance premium.

The information you provide in your employer remuneration return allows us to calculate your insurance premium for the coming year.

Refer to the **remuneration guide** to find out all the things you must consider when completing your employer remuneration return. Remuneration is any payment made to or for the benefit of a worker. If you are a labour hire business employing workers in South Australia, remuneration may include items such as superannuation, accommodation allowances, fares for travel, remote area allowance and rental allowances paid on behalf of your workers.

What are my record keeping obligations as an employer?

Employer remuneration returns will need to specify remuneration paid to workers for each location/South Australian Industry Classification (SAIC) registered with ReturnToWorkSA.

When operating a labour hire business, you must register a location for each SAIC. Please contact us on **13 18 55** or email **premium@rtwsa.com** if you are unsure whether you have registered all locations where you engage workers.

An accurate account of all remuneration paid or payable together with other information required by us must be kept by employers in relation to each location/SAIC.

These records must be kept within South Australia and in the English language for a period of seven years unless a shorter period is determined by the Corporation.

What if I intentionally under report my remuneration to reduce my premium payable?

If an employer provides a return that we have reasonable grounds to believe is defective in any respect, we may make an assessment of any statutory payment payable by the employer based on the information available to us, our estimates, or both.

We may as part of this assessment impose a fine (up to three times the amount assessed) and penalty interest at the prescribed rate charged from the date of the original default.

Any person who dishonestly makes an application or gives a return to us knowing the application or return is false or misleading is guilty of a dishonesty offence. The maximum penalty for a person found guilty of a dishonesty offence under the *Return to Work Act 2014* is \$50,000 or imprisonment for two years.

What is a piece rate?

A **piece rate** is where a worker gets paid by the piece. This means the worker gets a pay rate for the amount picked, packed, pruned or made. Piece rate payments are included in remuneration.

If piece rates are paid to your workers, additional records may be required to be kept including written agreements with your workers setting out pay rates and how they will be measured.

For more information on piecework, see the following link:

[Piece rates and commission payments](#)

For more information on the correct rate of pay, see the following link:

[Pay and conditions tool](#)