



## Labour Hire: Are you doing your due diligence?

Rogue labour hire firms are underpaying workers, failing to meet their taxation obligations, and abusing work visas. As noted in a [report by NSW's Independent Commission Against Corruption](#) (page 56), it is recommended that employers complete sufficient due diligence checks when engaging labour hire operators.

In 2018, a labour hire scam operation in Western Australia was identified in which payroll taxes were not being paid to the State Government. [See the media statement from the State Government.](#)

### Characteristics associated with high risk labour hire operators

- The organisation regularly changes its business name and/or its ABN, yet the contact person and workers being supplied remain the same
- The organisation has no ABN, an invalid ABN or the ABN does not match the Australian Business Register
- The organisation does not list any known physical business premises
- The organisation has no telephone landline and/or online website, or never answers telephone calls
- The organisation uses a generic email service such as Gmail, Hotmail or BigPond
- The organisation is charging an hourly rate below the minimum award wage rate
- The organisation has an opaque ownership structure, including having a sole owner and/or sole director with suspect contact details
- The organisation has recently formed, has no track record and/or has recently registered for GST (ABN check shows the entity was just registered)
- The organisation has an ABN that matches to a similarly named, but not identical or related, entity
- The organisation has changed its bank account details just prior to a significant payment
- The organisation lacks relevant licences and/or a licence that has been recently acquired
- The organisation relies heavily on subcontractors to perform work
- The organisation has company directors with a history of closing down and re-starting businesses under a different name
- The organisation has a history of adverse court, regulatory or tribunal findings

[Contact the Office of State Revenue](#) if you have encountered a labour hire organisation that meets the above criteria.

Anonymous information can be reported on 08 9262 1380.