

Labour Hire Employers

Fact sheet



Labour hire businesses have obligations to take out workers compensation insurance for workers supplied to host employers and provide accurate remuneration declarations and statements for premium assessment purposes. They also have obligations to compensate injured workers and support their return to work.

Cover your workers

Labour hire workers, or 'on-hire' workers, are employed and paid by labour hire companies but work at client organisations known as host employers.

Many working arrangements are covered including full-time and part-time employees, casual employees, seasonal and piece workers, and certain contractors.

As a labour hire company you must cover workers employed or engaged by you, and on-hired to host employers.

Avoidance arrangements, or "sham contracting arrangements", are prohibited.

Maintain full insurance

You must maintain insurance for the full extent of the liability to pay compensation and damages to workers.

When taking out and renewing insurance you must submit a remuneration declaration to the relevant workers compensation insurer.

Good record keeping practices are integral to providing accurate remuneration declarations.

Do not deliberately understate the number of workers supplied to host employers or the amount of remuneration paid to workers when making declarations.

It is important that estimated and actual remuneration are calculated and declared accurately. The provision of false declarations is an offence and lost premium can be recovered.

Having effective records is particularly important for labour hire companies that supply large numbers of workers with host employers in diverse industries.

It is acknowledged there can be some confusion and inconsistency in the way labour hire is being classified for premium rating purposes.

When declaring remuneration of labour hire workers, employers should apportion the wages based on the premium rating classification(s) that represents the **predominant business activity of the host employer to which workers are supplied.**

WorkCover WA's [Guidelines for Labour Hire Employers](#) explain the labour hire coding rules to assist with record keeping and providing accurate declarations.

Labour hire employers and brokers and insurers should be familiar with:

- WorkCover WA Remuneration Guidelines
- WorkCover WA Industry Classification Order

Participate actively in injury management and return to work

You have the same claim and injury management responsibilities as any other employer under the workers compensation legislation.

This includes establishing injury management systems and return to work programs for injured workers.

It also includes keeping an injured worker's pre-injury position available (unless it is not reasonably practicable to do so) or providing a suitable position for the worker.

Labour hire employers and host employers are strongly encouraged to work cooperatively in the return to work process and should not wait until a worker is fully fit for work before considering return to work options or the provision of suitable duties.

Host employers are required to cooperate with the labour hire employer with these obligations.

Further information to assist labour hire employers can be found in WorkCover WA's [Guidelines for Labour Hire Employers](#) located on the WorkCover WA website.