Issued: 15 June 2005

Chair – Phillip Barresi MP



Public Hearing in Canberra 16 June

Independent Contracting and Labour Hire Arrangements

Taxation issues and superannuation obligations for independent contactors and labour hire workers will be among the topics raised at a public hearing of the House of Representatives Standing Committee on Employment, Workplace Relations and Workforce Participation. This is expected to be the final hearing for the committee's inquiry into independent contracting and labour hire arrangements.

Appearing before the committee on Thursday 16 June is the **Department of Employment** and Workplace Relations (DEWR), the Australian Taxation Office (ATO) and the **Treasury**.

Earlier this year DEWR released a discussion paper based on the Government's 2004 election policy of a new Independent Contractors Act to protect the status of independent contractors. The paper advances a number of proposals, including regulating independent contractors by commercial law rather than workplace relations law, and removing constraints and barriers on the freedom to contract.

Some evidence received by the committee has queried the definitions used in income tax assessments, and in particular personal services income legislation. ATO and the Treasury are expected to address questions arising from this evidence regarding compliance and audits of personal services income, restrictions on collective bargaining imposed by the Trade Practices Act 1974, and employer obligations under Superannuation Guarantee arrangements.

The Committee Chair, Phil Barresi, said the growth in independent contracting and labour hire has provided many organisations with greater flexibility in meeting work demands.

"However, concerns regarding definitions for taxation purposes and restrictions on independent contracting require the Committee to look closely at options for the protection of genuine contracting and labour hire arrangements," Mr Barresi said.

Public Hearing program: Thursday 16 June 2005

Venue Committee Room 2R1, Parliament House, Canberra

11:05 am The Treasury (Submission no. 73) and ATO

12 noon DEWR (Submission no. 65)

The inquiry was referred by Federal Minister for Employment and Workplace Relations Kevin Andrews. The Committee expects to table its report in August.

Further details on the inquiry, including the complete terms of reference, membership of the Committee, submissions received and previous transcripts can be obtained on the Committee's website at <u>www.aph.gov.au/house/committee/ewrwp</u> or by contacting the committee secretariat on (02) 6277 4162 or emailing <u>ewrwp.reps@aph.gov.au</u>

For media comment, please contact the Committee Chair, Phil Barresi, on (02) 6277 4350 **For background information**, please contact the Committee Secretary, on (02) 6277 4162