

Upcoming Changes to South Australian Labour Hire Licensing Laws

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South Australia is set to see significant reforms to their labour hire licensing regime (LHLR), following the commencement of the [Labour Hire Licensing \(Scope of Act\) Amendment Act 2025 \(Act\)](#) on 29 January 2026.

The Act brings about significant changes to South Australia's LHLR, particularly with respect to the scope of businesses who are now required to hold a labour hire licence.

Before the commencement of the Act, South Australia had one of the most narrow LHLRs across the country. Only businesses supplying workers engaged in the following types of work were required to be licensed:

- cleaning work;
- horticultural processing work;
- meat processing work;
- seafood processing work; and
- trolley collection work.

Companies supplying labour hire in other industries (e.g. mining, building and construction) did not have to hold labour hire licences.

Expanding the Scope

The most significant change under the Act is that, subject to a six-month transition period discussed below, labour hire providers in *any* industry are now required to hold a licence (unless an exception applies).

Following the commencement of the Act, if an entity (in the course of conducting a business) supplies a labour hire worker to another person to undertake work in any industry and there is no exception in place, the entity will need to hold a labour hire licence. A person is considered to be labour hire worker if they may be provided by their employer to another person to undertake work, and their employer remains responsible for the employee's pay entitlements.

New Exceptions

A business is not required to hold a labour hire licence if there is an exception in place. In addition to the numerous exceptions already in place (e.g. temporary secondments, group training organisations), several new exceptions have been introduced.

Some of the new exceptions include circumstances where:

- The host is within the same group of companies as the entity providing the labour hire worker, but only if the group of entities carries on business as a group.
- The individual supplied to the host earns more than the high income threshold (presently \$183,100) and the individual's employment is not covered by a modern award or enterprise agreement.

This list is not exhaustive.

Transitional Period

Businesses who were not previously required to hold a labour hire licence will have 6 months (i.e. until 29 July 2026) to obtain a licence. Given the number of businesses who will be required to apply for a licence and the consequential backlog, if your organisation is impacted, we recommend starting the registration process early.

Consequences of Not Holding a Licence

Providing labour hire services without a licence could lead to fines of up to \$140,000 (for individuals) or \$400,000 (for body corporates). Even advertising or holding yourself out to provide labour hire services without a licence could result in a fine of up to \$30,000.

It is also a breach of the legislation to enter into an arrangement for the use of labour hire services with an unregistered provider, without a reasonable excuse (maximum penalty: \$140,000 (for individuals) or \$400,000 (for body corporates)).

There are anti-avoidance mechanisms built into the legislation. Furthermore, there is a positive duty placed on hosts (or potential hosts) to report avoidance arrangements entered into by labour hire suppliers.

If your organisation supplies labour to other entities in South Australia and you do not presently have a labour hire licence, you should carefully consider whether you will be required to hold a licence on or after 29 July 2026.

If you do need a licence, you should promptly make an application to [Consumer and Business Services](#). CBS has recommended that the application should be made at least six weeks prior to 29 July 2026 (e.g. no later than 17 June 2026).

If you use labour hire services, you must take steps to ensure that the labour hire providers you use are appropriately licensed (as required).

If you are not sure whether you should hold a licence or require assistance in applying for a licence, please seek legal advice.