



Speech by

Hon. GORDON NUTTALL

MEMBER FOR SANDGATE

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MINISTERIAL STATEMENT

Underpayment of Employees, On-the-Spot Fines

Hon. G. R. NUTTALL (Sandgate—ALP) (Minister for Industrial Relations) (10.20 a.m.), by leave: The issue of employees being underpaid is one of the biggest and most time-consuming issues for inspectors in my department. In the last financial year our inspectors received 8,000 wage complaints and carried out 600 general inspections of time and wages records. In all, they recovered more than \$6.3 million in unpaid wages for employees around Queensland. But from this week, for the first time in Queensland, employers who fail to pay correct wages will face on-the-spot fines.

Department of Industrial Relations inspectors now have the power to issue on-the-spot fines for a range of offences, including failure to pay correct wage and superannuation rates, not keeping proper time and wages records, and not providing payslips to employees. The fines will range from \$150 to \$1,500 for individuals and \$750 to \$7,500 for corporations. It is expected that the new fines will significantly reduce the time and cost associated with taking breaches through the court process.

These fines are for breaches that do not affect workplace health and safety but will help speed up the recovery of payments for workers, while saving costs in the courts. Employers who wish to appeal the fine will still have the option of taking the matter to the Magistrates Court. Inspectors will normally give employers one warning and thereby a chance to voluntarily rectify the problem before an on-the-spot fine is issued.

Infringement notices have been used successfully by the New South Wales Department of Industrial Relations since 1996 and by my department's Workplace Health and Safety Division since 1995. Last year, the New South Wales authority issued more than 4,000 infringement notices, with just 44 contested in the courts. That is just a little over one per cent.

The need for these fines is clear. A blitz by my department late last year on time and wages records found that nearly a third of employers had underpaid workers. Inspectors audited 326 businesses across the state and found that 381 employees—almost 1 in 10—had been underpaid. Nearly 77 per cent of those underpaid were casual workers. The audit found that nearly 30 per cent of businesses underpaid some of their workers, nearly 32 per cent had not complied with time and wages record procedures and about 20 per cent did not supply payslips as required under the Industrial Relations Act.

I believe these fines will help to improve compliance and education for those employers who do not properly pay their employees. All workplaces need to have a copy of an award in the workplace. Of course, it is an offence not to have one. In the meantime, it is expected that on-the-spot fines will help speed up the recovery of wages for employees, and reduce court costs significantly.
