



Speech By  
**Leanne Linard**


**MEMBER FOR NUDGE**

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Record of Proceedings, 28 February 2019

**EDUCATION, EMPLOYMENT AND SMALL BUSINESS COMMITTEE**

**Report, Motion to Take Note**

 **Ms LINARD** (Nudgee—ALP) (3.34 pm): I move—

That the House take note of the Education, Employment and Small Business Committee report No. 9 titled *A fair day's pay for a fair day's work? Exposing the true cost of wage theft in Queensland* tabled on 16 November 2018.

A fair day's pay for a fair day's work is an ideal deeply rooted in Australia's labour history and egalitarian values. To most, it is an indisputable right that a worker is fairly and duly remunerated in accordance with their effort and the law. Yet we have seen again and again in recent media high-profile cases of significant worker exploitation including by highly recognised brands 7-Eleven, Domino's, Caltex, Pizza Hut, Myer and Woolworths. These are the cases that have come to light. These are the ones we know about—but just how many cases are going undetected and unanswered in Queensland? How effective are current state and federal regulatory frameworks in dealing with wage theft? How can we eradicate it into the future? This was the job given to our committee.

The committee travelled across Queensland holding 24 hearings and receiving evidence from more than 100 witnesses, 360 survey respondents and 49 written submitters. I wanted to let Queenslanders tell their story.

Our report revealed that wage theft is costing Queensland workers over \$1 billion in lost wages and over \$1 billion in lost superannuation every year. Combined with an estimated \$100 million reduction in consumer spending and \$60 million in lost federal tax revenue, the overall economic loss could amount to almost \$2.5 billion stripped from the Queensland economy every year. Of course, that is not just a number. They are real Queenslanders and Queensland families who are going without what they are duly entitled to, with vulnerable, lower income workers significantly over-represented among those affected by wage theft.

While the state retains responsibility for the Public Service, local governments and long service leave entitlements, the majority of workers nationally—approximately 87 per cent—fall under the federal industrial relations framework, with minimum conditions of work set by the Fair Work Commission and compliance the remit of the Fair Work Ombudsman.

The committee heard that Queensland's Labour Hire Licensing Act introduced by our government in 2017, in addition to work by inspectors on the ground from the Queensland Office of Industrial Relations, is helping to address wage theft in the state industrial relations space. But what the committee heard over and over again is that affected workers in the federal IR system feel powerless to reclaim their lost wages and entitlements, and have been largely left alone to do so by an under-resourced federal regulatory system.

I want to make the point here that what we are talking about and what our report shines a light on is not the case of incorrectly paid entitlements that once identified are rectified by honourable employers. The debate over unintentional and/or honest errors is too often used to distract from the real debate over intentional—deliberate—wage theft.

Let me paint a picture of what the committee heard repeatedly from witnesses in regard to the latter. An individual becomes aware of incorrectly or unpaid entitlements. Maybe it is \$100—in many cases thousands or tens of thousands of dollars. They raise it with management. No or, indeed, punitive measures result such as working hours being cut, the individual being performance managed or fired. They contact the Fair Work Ombudsman. They are told to take the matter up with management themselves or proceed to mediation. Mediation does not take place or fails because the employer will not participate. The employee may be placed in the unconscionable position of actually having to bargain away their entitlements—that is what they have legally earned—just to recover something. Should mediation fail, the employee is told to pay for a lawyer or proceed to the small claims court which can cost up to \$20,000. They are on their own.

Of the almost 30,000 requests for assistance the Fair Work Ombudsman handled involving a workplace dispute in 2017-18, only four per cent resulted in compliance activities. In 2016-17, the Fair Work Ombudsman conducted 5,645 campaign audits and inquiry activities. That constitutes approximately 0.25 per cent of all actively trading businesses—so there is not even a one per cent chance that your business is going to be audited.

We have our responsibilities at a state level and the federal government has theirs. However, while we are meeting ours and prioritising Queensland workers, workers in the federal system are being left to fend for themselves, many highly vulnerable with no recourse other than to fund expensive legal proceedings—that is, if they can afford it. They deserve better and we can do better. We have been doing the heavy lifting at the state level. It is time that the federal government played their part and protected workers in this country.