



Speech By  
**Michael Healy**


**MEMBER FOR CAIRNS**

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Record of Proceedings, 28 February 2019

**EDUCATION, EMPLOYMENT AND SMALL BUSINESS COMMITTEE**

**Report, Motion to Take Note**

 **Mr HEALY** (Cairns—ALP) (3.55 pm): I rise in very strong support of the 17 recommendations which the Education, Employment and Small Business Committee made in their report No. 9 to the 56th Parliament, and I was very pleased to be a part of that committee. Charged with this responsibility, the committee held 24 hearings and received evidence from over 100 witnesses, 360 survey respondents and 49 written submissions. These were people from all working backgrounds—accommodation, tourism, retail, the building industry, food processing, security and cleaning industries, farming and agriculture. We had parents speaking on behalf of their children, and we had a strong representation of migrant workers. All reported individual stories of financial wrongdoing and injustices involving unpaid hours or underpayment of hours, unpaid penalty rates, unreasonable deductions, unpaid superannuation, withholding of other entitlements and sham contracting and the misuse of ABN numbers.

Even with the three instruments that establish the legislative safety network that sets the price floors to workers as wages and conditions—the combination of modern awards, the national minimum wage and the national employment standard—each one of those complainants shared a deep frustration and anger at their inability to pursue an appropriate outcome due to costs or the fact that it was a timely process and they felt they had been worn down.

Those who are more interested in the financial outcomes rather than the individual stories would be alarmed to hear that it is estimated that over 437,000 Queensland workers are not receiving their full wages. That resulting five per cent loss of income for these individuals would amount to an aggregate figure of \$1.2 billion annually. In terms of superannuation, the annual loss associated with underpayment or nonpayment of superannuation is estimated to be \$1.12 billion. This has a huge impact on our economy. I cannot believe what I am hearing from some of the people on the other side. They obviously have never been in business. In addition to this, annual reductions in consumer spending in Queensland have been estimated to be \$100 million, while the federal tax revenue lost is estimated to be \$60 million. Together, these losses could amount to almost \$2.5 billion being stripped from the Queensland economy every year.

Evidence provided to the committee confirmed that the problem of wage theft is particularly pronounced in certain segments of the labour market. The businesses that want to steal pay from workers will focus on the most vulnerable, those who are most likely to be afraid, those who are most likely to tolerate it or those who are least likely to complain, where the employer has the upper hand and would make it not worthwhile to complain. This employee cohort includes international students, backpackers, other temporary visa holders, new residents, undocumented workers, migrant workers, visa holders and of course young people. Within these vulnerable cohorts, the Office of Industrial Relations noted that there is an underpinning gender pay gap, with women more likely to be affected by wage theft. Queensland Advocacy Incorporated highlighted the heightened vulnerability and

insecurity for people with disabilities who are at the fringes of the labour market and are often subject to employment discrimination. I find it very hard to hide my personal disgust for individuals responsible for these actions who target these people.

Wage theft appears to be widespread across many industries. For a small and particularly vulnerable cohort of the workforce, the extent of the exploitation is so severe that it has been described as bordering on modern slavery. As many of those appearing before our committee acknowledged, it is unfair to those businesses who do the right thing—and there are many of them, and we heard from those businesses—as it creates an unfair work advantage when quoting for business, not to mention the significant financial impact on those exposed to these actions and, as I have highlighted, to the state's revenue. Each one of these recommendations will ensure that we not only protect our workers but also protect the businesses that do the right thing. These parties and individuals who engage in these practices are directly attacking not just those who have been suffering, but also the middle and working class of this state.

I would like to thank each one—most—of my committee members, in particular the chair, for the hard work that has been put into this report. Just as importantly, there is an expectation from the community that we will act on what we found.