

## Talking Point: Tough penalties must be put in place to protect workers' wages

Have you ever tried paying your rent with a gift voucher to a homeware store? What about paying your electricity or buying your groceries? You're probably laughing at the thought but it's no joke. Just a couple of weeks ago, a Hobart homewares store offered up gift vouchers as payment for hospitality work. Apparently, management 'preferred' to make payment that way.

In my experience, workers tend to enjoy being paid in real money. It's also the law.

We've got a problem with wage theft in Tasmania and across the country.

If anyone thinks that it's just big businesses on the mainland, like the 7/11s or the restaurants of celebrity chefs, that are the main culprits, a quick scan of Tasmanian media over the last 18 months would put that notion to bed. The succession of local reports into Tasmanian cases of exploitation illustrate that the problem is just as bad here as anywhere else.

In February this year, a Fair Work Ombudsman report highlighted the systematic exploitation of contract cleaners in Tasmania's supermarkets, finding that cleaning contractors at 90% of Woolworths sites were not complying with workplace laws.

In May, the former operator of the Scamander Beach Resort on the East Coast was found to have grossly underpaid two Malaysian employees by \$28,000.

And, most recently, we have the 100 Chinese plasterers on the Royal Hobart Hospital (RHH) redevelopment job who were not paid wages for up to 9 weeks. They ended up being owed over one million dollars.

Who uncovered this exploitation? Was it the Government's supposed "tough cop" on the beat, the Australian Building and Construction Commission (ABCC)? No, it wasn't. It was the construction union, the CFMMEU, who the Government loves to criticise but who continue to deliver for workers in their industry, both in terms of pay and safety. Without their involvement, this exploitation would have continued.

These are just the "big" cases, the ones that have received media attention. What Unions Tasmania knows is that there are many cases of wage theft that don't make the papers. We also know there are industries where wage theft is more likely to occur, because of the proliferation of labour hire, or a casualised workforce, or where there are high numbers of young and migrant workers. Our experience tells us where you find groups of vulnerable workers, you will find wage theft.

Even industry is being forced to admit there is a problem. The restaurant lobby has finally conceded there is an endemic issue in their industry of wage theft.

The problem is that wage theft has become a business model for too many businesses.

They know under our current laws that they're not going to get caught. They know their employees, especially if they are in insecure work, are unlikely to challenge them for fear of losing their jobs.

Workers know that recovering stolen wages is slow, complex and expensive. While the media attention on the plight of the RHH plasterers and the union's swift action saw the workers there back paid relatively quickly, this is an exception. The migrant worker on a farm, the student with a

casual job in the café down the road, no-one is spotlighting the wage theft they're experiencing. For them, the road to recovery of stolen wages is long.

It can and does take years to recover stolen wages and you have to go to court to do it. It costs not just time but money, money workers don't have when they're already out of pocket. Expecting an underpaid worker to shoulder legal costs is unrealistic. Most just give up, wearing the financial loss.

We should all care about ending wage theft for a few very good reasons.

Firstly, exploitation puts downward pressure on the price of everyone's labour – including yours. It also means people don't have as much money to spend in our local economy.

It is unfair to good businesses who are doing the right thing. They are forced to compete on an uneven playing field where illegal practices mean unscrupulous businesses have an advantage.

It's also a tax dodge. When workers aren't being paid correctly, our governments are not collecting as much tax that could be used to fund our schools, hospitals and infrastructure.

Wage theft is an all-round bad deal. And it needs to stop.

We need to change the rules at work so that it isn't so hard for a worker to get their own money back. We need timely and effective processes to recover stolen wages. And we need penalties that are significant enough that they act as a deterrent and discourage businesses from ever thinking about stealing worker's wages again.

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