

## Urgency Resolution ALP State Conference - May 2017

### Wage Theft – The Need for Stronger Laws

#### Resolution

Victorian Labor notes and supports the report tabled by the Transport Workers' Union Vic/Tas Branch calling for a change to the law that will make it an offence for employers to engage in wage theft from their workforce.

Victorian Labor believes there is a need for a clearer and tougher deterrent to employers stealing from the pay-checks of their staff, through wage underpayment and superannuation non-payment.

#### Report

Wage theft is endemic in Australia. In recent public exposés, 7-Eleven, Dominos and Caltex were shown to have engaged in chronic underpayment of their workers. Some workers have had tens of thousands of dollars stolen from their pay-checks. Other workers have been forced to physically hand back cash to employers who insisted that the wage theft must remain secret, so paid the correct amount but then demanded money back.

7-Eleven has so far paid out \$90 million for non-payment of wages while Caltex has set up a \$20 million fund to repay their workers. Dominos has said it has returned \$4.5 million to its workers that it underpaid.

Every industry is touched by this crime spree. In transport, wage theft has an added destructive element. It is creating financial pressure on truck drivers that ultimately kills people by forcing drivers to speed, drive long hours and skip mandatory rest breaks just to put food on the table.

A report by Australia's National Transport Commission, *Remuneration and Safety in the Australian Heavy Vehicle Industry* in 2008, said that, "There is solid survey evidence linking payment levels and systems to crashes, speeding, driving while fatigued and drug use".

The problem is not just theft of wages. A report by Industry Super Australia shows in 2013-2014 employers failed to pay \$5.6 billion in super payments. The report shows transport was identified as one of the worst industries for non-payment of super.

The problem with the current penalties is deterrent. When a boss steals from a worker it is referred to as 'underpayment' and they reach a settlement with the Fair Work Ombudsman to repay the money.

The worst that can happen to such employers is that they are asked to pay back what they owe to those who complain.

This is an incentive to see what you can get away with.

Moved: John Berger

Seconded: Luba Grigorovitch