

Tuesday, 18 February 2020

Government response to billions in systemic, calculated wage theft fails workers

The Morrison Government has made it clear it will not address the root causes of wage theft based on a discussion paper released this morning.

Wage theft exists because the rights of working people have been eroded by a Government which has made attacking working people and their unions a number one priority.

The rights of unions to inspect pay records and conduct compliance checks, once understood to be essential to ensuring fair pay and treatment of working people has been stripped back.

The Fair Work Ombudsman is a woefully inadequate alternative to allowing workers' representatives to play a stronger role in stamping out wage theft. Only 4 per cent of complaints to the FWO in 2017-18 led to the FWO exercising its compliance or enforcement powers with less than \$30 million recovered from FWO's own estimation of \$1.35 billion in unpaid wages each year.

It is no coincidence that since unions have been limited in their rights to inspect records and conduct spot-checks in workplaces, wage theft has risen to a national crisis. Unions stop wage theft because they protect the basic rights of working people.

Wage theft has become a business model because employers know the likelihood of being caught is low and the possibility of being punished even if caught is remote. The ACTU sees nothing in the Government's proposal which is likely to change this calculation.

Workers need unions in their workplaces, inspecting pay records and holding employers to account, backed by laws which would impose meaningful penalties on employers who steal from workers.

Quotes attributable to ACTU Secretary Sally McManus

"Wage theft is too often a business model - ripping off workers who have their wages stolen to provide windfall profits to dodgy businesses.

"It then provides unfair competition to businesses who are doing the right thing and obeying the law.

“The first priority in addressing wage theft is working people getting access to justice - quickly and at low cost. At the moment employers get away with stealing wages because they know it is so hard for workers to enforce their rights.

“We acknowledge the Government consideration of the ACTU proposal for allowing workers to access fast recourse for recovering stolen wages, however this policy does little else to end the systemic practice of wage theft.”

ENDS

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