

STOPPING WAGE THEFT



Every worker has the right to a fair day's pay for a fair day's work.

However, reports are increasing of Victorians being underpaid or exploited at work, workers are feeling more insecure and employers are getting away with a slap on the wrist.

This isn't right and it isn't fair.

That's why a re-elected Andrews Labor Government will introduce tough new laws cracking down on unscrupulous employers who deliberately underpay or don't pay their workers, and set up a new Victorian Wage Inspectorate to take action against dodgy employers and protect workers.

Wage Theft

A re-elected Andrews Labor Government will make wage theft a criminal offence.

The proposed new laws will include three offences: theft of employee entitlements, failing to keep employment records and falsifying employment records.

The laws will apply to both businesses and individuals, such as directors or senior managers. Third party liability provisions will also be introduced to make sure the laws capture head franchisors who oversee wage theft by franchisees, or companies who try to avoid liability through complex corporate structuring.

Businesses and individual employers can also face a course of conduct charge for systematic abuse, when there are multiple incidents involving multiple employees over a period of time.

These laws are also designed to target employers who dishonestly fail to keep or falsify employment records to gain financial advantage, or cover it up.

All offences will have a maximum penalty of ten years imprisonment, or a maximum fine of \$190,284 for individuals and \$951,420 for businesses, with restitution orders available to make sure guilty employers pay back workers the money they owe.

This is about cracking down on employers who deliberately do the wrong thing. That means there is a defence for employers who honestly and reasonably believe they are not withholding entitlements. Similarly, employers who simply have bad record keeping practices will not be guilty of an offence.

A re-elected Andrews Labor Government will consult with employers and unions over the proposed laws.

Help Recovering Wages

The new laws will also make it faster, cheaper and easier for workers to get money their employers owe them through the court system.

For the new criminal wage theft offences, courts will have the power to make restitution orders to provide compensation to employees affected by an employer's crime.

For civil claims for unpaid entitlements of up to \$50,000, court filing fees will be lowered, claims will be heard within 30 days and court processes will be simplified.

To make sure employers follow court orders, an automatic enforcement model will be introduced that puts the onus on the employer to demonstrate they have complied with orders and paid entitlements owed to employees.

New Wage Inspectorate

The new wage theft laws will be enforced by the Victorian Wage Inspectorate – a new employment watchdog that will focus on education, compliance and enforcement of employment laws in Victoria.

It will also have the power to take legal action against employers who do the wrong thing.

This will protect some of Victoria's lowest paid workers through:

- the promotion of fair industrial relations practices in Victoria
- data collection, research, education and information provision to employers and employees about their work rights and responsibilities, including targeted campaigns
- regulatory, compliance and enforcement functions initially covering new Victorian long service leave laws, child employment and owner driver laws

The Victorian Wage Inspectorate was funded with \$22.23 million in the Victorian Budget 2018/19.

It will also have the capacity to oversee the establishment and implementation of new Victorian labour hire licencing and portable long service leave laws under consideration by the Parliament.

The Andrews Labor Government's strong action to protect the rights of Victorian workers comes in stark contrast to the Liberals.

While the Liberals attack workplace rights, a re-elected Andrews Labor Government will make sure Victorians receive fair pay and conditions at work.