

WAGE THEFT

Statement by Minister for Industrial Relations

MR W.J. JOHNSTON (Cannington — Minister for Industrial Relations) [9.18 am]: I wish to inform the house that in 2022–23, almost \$670 000 in unpaid wages and other entitlements was recovered by industrial inspectors on behalf of Western Australian workers. Industrial inspectors in the Department of Mines, Industry Regulation and Safety have statutory responsibility for enforcing state employment laws. In the last financial year, they recovered \$670 000 for 144 employees by conciliating and investigating complaints, as well as undertaking proactive audits in high-risk industries. Cafes and restaurants accounted for the largest percentage of wage underpayments, followed by retail shops and hairdressing establishments. Over 68 per cent of all moneys recovered were for unpaid long service leave, with the largest single amount recovered being \$45 500. Many employers fail to understand their long service leave obligations, especially when they purchase a business and thereupon become responsible for employees' long service leave.

As identified by the 2019 inquiry into wage theft in Western Australia conducted by Mr Tony Beech, industrial inspectors play a pivotal role in the fight against wage theft. Although most employers strive to do the right thing, there is a percentage who deliberately underpay their workers. Such businesses have no qualms about exploiting vulnerable employees and gaining an unfair competitive advantage over law-abiding businesses.

Wage theft business models are typically complex and multifaceted, but they are often characterised by certain behaviours. Failing to keep employment records is one such behaviour. Obstructing industrial inspectors in the performance of their functions is another. In 2022–23, the department obtained just over \$147 000 in court-imposed penalties against employers, mainly for obstruction and ignoring court orders to produce employment records. These are not employers who made an innocent mistake. They chose to flout the law.

Although it is disappointing that even one worker was underpaid, I am pleased that industrial inspectors were able to assist 144 workers receive their correct entitlements last financial year. Inspectors will continue to target high-risk industries in 2023–24, with a focus on disrupting wage theft business models.