



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

PRIVATE MEMBERS' BUSINESS

Temporary Work Visas

SPEECH

Monday, 8 February 2016

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Questioner
Speaker Thistlethwaite, Matt, MP

Source House
Proof No
Responder
Question No.

Mr THISTLETHWAITE (Kingsford Smith) (11:37): I wish at the outset to congratulate the member for Bendigo for highlighting this very important issue and the government's inertia temporary work visa on tackling it. It appears that there is an alarming increase in exploitation of workers on temporary work visas in Australia—in particular, people on holiday visas, temporary work visas, international students and people under the 416 visa program, the seasonal workers program. There have been many publicised cases in recent months: workers at 7-Eleven being horribly exploited on temporary visas; Myer subcontractors employing cleaners on sham contracts; Pizza Hut delivery drivers being paid as little as \$6 an hour; and Baiada Poultry involved in some alleged underpayment of wages as well.

Underpayment of migrant workers is not only illegal; it is immoral as well. It also gives Australia a bad international reputation. Over the longer term it can do damage to our economy; through lost revenue in terms of income tax, but also in terms of Australia getting an unsavoury reputation and then ultimately harming demand and income tax revenue throughout Australia.

I want to highlight the seasonal workers program. This was a program that was established to offer opportunities for Pacific Island nations to send workers to Australia to work in our agricultural and horticultural sectors. They would get an opportunity to have much higher wages, and hopefully better working conditions, and be able to send income back to their home countries. So there was a social element to the seasonal workers program.

Unfortunately in recent months we have seen a number of cases highlighted of exploitation of workers under this program. In Robinvale in Victoria, a company called PlantGrowPick is currently subject to Fair Work Ombudsman investigations for allegedly underpaying a group of Fijian workers. They were allegedly paid \$1.20 an hour. These workers eventually had had enough and they left. They went to the airport and went home because they were sick of being exploited. Allegedly they were not allowed to leave the camp that they were living at unsupervised. They even were not allowed to sing on the job while they were picking fruit.

Then there is the case of Marooychy Sunshine. They are currently being investigated by Fair Work Australia for underpayment of 22 workers from Vanuatu. These workers were allegedly underpaid \$77,649. It happens that one of those workers is the son of the head of the Department of Labour in Vanuatu. So this employer probably picked the wrong person to underpay. Again that goes to the issue of international reputation for Australia. Here is the son of the Commissioner of Labour in Vanuatu being underpaid—and on terrible conditions—by Australian employers.

Clearly there is an issue here, particularly with respect to labour hire companies that are set up for the purposes of making a quick buck. There might be not many assets behind the company and once there are attempts to investigate them—what do you know?—the company has gone bankrupt and another one is set up in similar circumstances. So the response from the government on this has been unfortunately quite weak—in fact, there has been deadly silence. The response had really been to just import more workers; we are seeing a ballooning in the number of 457 visa workers coming to this country.

In contrast, Labor is listening. Labor has been consulting with people in these circumstances and we are listening. Recently Bill Shorten and Brendan O'Connor released Labor's policy on protecting workers. It involves a number of new policies to tackle these problems, including tougher penalties for failing to pay workers properly, tripling the penalties for people who underpay wages, and cracking down on sham contracting. In the Productivity Commission report this was identified as a serious issue and the Productivity Commission said:

It seems to be too easy under the current tests for an employer to escape prosecution for sham contracting.

Labor will change that test at law to ensure that it is a 'reasonable person' test rather than the employer being able to plead that they did not know. We will also introduce new penalties for phoenix employers and specific penalties for exploitation of temporary overseas workers. (*Time expired*)