

# Media Release

Mr Tim Pallas MP  
Treasurer  
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## COMMONWEALTH FOLLOWS VICTORIA'S LEAD ON WAGE THEFT

The Allan Labor Government led the nation in making wage theft a crime – and now wage theft will be outlawed in every state and territory following the passage of federal legislation.

Victoria is disappointed that the Albanese Government failed to follow through on its election commitment to allow existing state laws to remain in operation in the *Closing Loopholes Bill*.

Wage theft is a systemic problem across the economy and that's why Victoria acted to ensure employers who stole money and entitlements from their workers would face the full force of the law.

A carve-out for Victoria's laws would have ensured that the strong and robust protections for Victorian workers contained in our wage theft scheme could be maintained.

An alternative put to the Commonwealth for changes in its legislation to increase the level of protection for workers in line with Victoria's laws was not taken up.

Now that the bill has been passed by Federal Parliament, the Commonwealth legislation in practical terms overtakes the Victorian wage theft scheme and we therefore intend to repeal the Victorian offences to avoid uncertainty for the community and businesses.

Victoria introduced the *Wage Theft Act* in 2020, creating an Australian-first offence for employers who dishonestly withhold employee entitlements. Victoria is the only jurisdiction to have established an independent regulator with legislative responsibility to enforce wage theft laws – Wage Inspectorate Victoria.

The Government congratulates the Wage Inspectorate, and inaugural commissioner Robert Hortle, for its ground-breaking work in this field and for many successes in child employment, long service leave and owner-driver regulation. The Wage Inspectorate will continue to operate in these important areas of coverage.

The Inspectorate helped workers reclaim more than \$1 million in unpaid long service leave entitlements in 2022-23 alone, benefitting 1,400 workers.

The Inspectorate's work means the vast majority of Victorian employers who do the right thing by their workers are able to compete on a level playing field.

Wage Inspectorate Victoria's education arm helped more than 15,000 businesses and workers last financial year and more than 425,000 people accessed the educational tools and resources on its website.

The Allan Labor Government advocated for the inclusion of penalties for theft of superannuation in the bill, and is pleased that was included in the amendments to the federal legislation.

### Quotes attributable to Minister for Industrial Relations Tim Pallas

*"Wage theft represents a shocking betrayal of workers and that's why we made it a crime in Victoria."*

*"We argued Victoria's strong laws should continue to operate, to protect workers and provide a level playing field for the vast majority of employers who do the right thing. That hasn't happened, so we will repeal our offence."*

*"Wage Inspectorate Victoria will continue to do important work ensuring fairness in child employment, the payment of long service leave and owner-driver regulation."*

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