

## The Sydney Morning Herald

# Human trafficking of workers a growing problem in Victoria

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### EXCLUSIVE

Human trafficking of workers by unscrupulous, sometimes criminal, middle-men is a growing problem in Victoria, a state government minister has warned.

Industrial relations minister Natalie Hutchins said there was concern about how both foreign and local workers were being treated by some labour hire companies amid concern about illegal underpayment.

"There's a big spider's web of different things going on," she told Fairfax Media.

"There's been a growth area of small- to medium-sized middle-men that set themselves up as labour hire companies and base themselves on the underpayment of wages and undermining the conditions and standards that we have."

## Government inquiry

The Andrews government is conducting an inquiry into labour hire, insecure work, sham contracting and the abuse of visa workers. It is set to release a discussion paper this week.

Inquiry chair, Professor Anthony Forsyth, said the paper would outline some of the research on labour hire but also to investigate the big gaps in knowledge about what is going on in Victoria.

There will be public hearings from mid to late November in regional Victoria and the inquiry would allow confidential submissions, he said. It would look at the responsibilities of not just labour providers but other companies higher up the supply chain.

It comes after Fairfax Media revelations last week about the systemic exploitation of temporary foreign workers and of a thriving "black economy" for jobs.

The investigation surveyed more than 1000 foreign language job advertisements for work in Australia and found 80 per cent paid either below the minimum wage or award.

It also uncovered shadowy networks of middle-men who often underpay foreign workers and demand payment from the job-seekers to secure work.

## **Recent revelations**

Fairfax Media has since been flooded with emails of examples of illegal pay and conditions from across the country.

The revelations follow Fairfax/ABC reporting on underpayment of workers by the 7/11 convenience store chain, and the warning of the company's new chairman Michael Smith, that 7/11 was just the "tip of the iceberg", part of a "very widespread problem".

Ms Hutchins said there was no information about how many people operated labour hire businesses in Victoria or how many workers were being underpaid.

She said the Andrews government would look at how the UK's Gangmaster Legislation had operated, which requires licensing of labour hire operators and also bans the trafficking of workers.

Ms Hutchins said legitimate businesses were being affected by competitors that paid workers illegally low rates. There needed to be a "equal playing field", she said.

## **Turnbull's hands-off approach**

The Turnbull government has taken a more hands-off approach with new employment minister Michaelia Cash advocating for industry self-regulation rather than new federal laws.

Asked if there was need for action against labour hire middle men in the light of Fairfax Media revelations about systemic exploitation of temporary foreign workers, Ms Cash said: "Any proposal to regulate the operations of labour hire companies is best driven by the industry."

Ms Hutchins said state Labor had moved on an issue – which is typically a federal responsibility – as the "federal government has been silent on this stuff."

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*This story was found at: <http://www.smh.com.au/national/human-trafficking-of-workers-a-growing-problem-in-victoria-20151004-gk0adt.html>*