

To the Queensland Parliament's Education, Employment and Small Business Committee:

Thank you for accepting public submissions into the issue of wage theft in Australia. This is a matter of sincere urgency affecting so many vulnerable people.

My matter regarding underpayment is currently in the Federal Circuit Court in Canberra, Zareey v. YHA. I understand that the Parliamentary process and the court process are different and separate. I do not make this submission to gain a benefit in my case, but to reveal one worker's experiences within a company's alleged practice of wage theft, so the Committee may give it their consideration.

I worked at three YHA backpacker hostel locations in Australia. The first was in Sydney, the second in the Blue Mountains NSW, and the third in Brisbane.

At the first location in Sydney Glebe, I was required to sign a sheet at the end of each work shift stating I was a "volunteer being reimbursed with accommodation". The accommodation benefit accrued per shift: one night of work, for three nights of accommodation. Me and my other fellow "night porters" would clean, do laundry, provide security, and other guest services. We worked 16 hours a week, late into the night, for a dorm bed. The dorm bed accommodation was valued at approximately \$180/week in the YHA Enterprise Agreement. According to the same agreement, I did work valued at approximately

\$450/week according to the same agreement. The difference was kept by my employer.

During this time, a higher-up at YHA behaved aggressively toward me, gave me hostile notes regarding my work, and made me feel disposable and worthless. This continued for the duration of my assignment. Nevertheless, I carried out my many assigned tasks honestly and dutifully.

At my second YHA, in the Blue Mountains, I was told to sign a “YHA Volunteer Statement” and “YHA Volunteer Code of Conduct” in order to get the job. I worked 48 hours a week (4 days x 12 hours) overnight providing on-call service to a large backpacker’s hostel, in exchange for accommodation in a private room. I also cleaned a large commercial-style kitchen during each shift. Over the 4 weeks that I worked there, YHA allegedly underpaid me more than \$7,000.

The third location was at Brisbane YHA. Brisbane YHA in August offered me a job consistent with the duties of an Activities Coordinator in their Enterprise Agreement, with an exchange of 2.5 hours of work for one night in a dorm bed accommodation. Over 7 weeks, the alleged underpayment was approx. \$2,500.

During that time, I was assaulted at the Brisbane YHA by a higher-up person within YHA. This incident was captured on CCTV. I went to the police and made a complaint. It then felt like YHA terminated my employment and evicted me from

the property in retaliation for my reporting this incident and with no reasonable time to find another accommodation.

I was woken up in the morning by YHA higher-ups who entered my room and told to leave immediately. I desperately called hostels in the city to find new accommodation, was lucky enough to find one, and left Brisbane YHA with most of my belongings in grocery bags. This, in stark contrast to workers in the YHA EBA who, even if instantly dismissed, have the right to stay in the hostel for 14 days after termination (YHA EBA 2015 Section 33.1.7). I felt I had done nothing wrong, and I was not even given the reliability of shelter. This is the reality of exploited, vulnerable workers. They can be terminated and evicted instantly and at any time; they live and work every day under a sword of Damocles.

I estimate that my fellow YHA exploited workers, misrepresented as volunteers, number over one hundred at any given time by YHA across their company-owned network of hostels. Over the years, it my estimate that thousands of workers have had their rightful wages stolen. Their stories are almost never heard. Many are foreigners on backpacker visas, many only speak English as a second language, many are too young to navigate a complicated justice system, and many are too scared to stand up and assert their rights under the law against powerful employers and their employer union groups, who have virtually unlimited resources.

YHA in my action against them was represented by employer's union AFEI, and to the best of my knowledge is still a member of this peak employers group. Even now, despite a myriad of evidence and precedent to the contrary, YHA, through AFEI's specialist legal firm AFEI Legal, continues to argue in the Federal Circuit Court, that I have no claims under the Fair Work Act.

My estimate is that YHA's wage theft amounts to more than \$2 million a year across their network of company-owned hostels.

YHA executives compensated themselves approx.\$1.8 million annually in 2018 and 2019 (YHA Ltd. Annual Report 2019, page 36, Note 21 "Key management personnel compensation" from <https://www.yha.com.au/about/yha-organisation/> and <https://www.yha.com.au/contentassets/d785c0606e0e4642b768b85e976d1afa/yha-ltd-annual-report-2019.pdf> retrieved July 30, 2020); this, as an ostensible "not-for-profit".

All the while benefiting from taxpayer subsidies and favourable government concessions, workers find themselves underpaid and YHA never has to contemplate more than monetary penalties. The temptation for wage-theft is inherent and will continue, when the potential monetary reward is so high, and the potential punishment so limited.

It is always the weakest in society who are exploited the most harshly by the strong. Criminalizing wage theft will force unscrupulous executives to reconsider their operational practices.

It is my sincerest wish, hope, and desire to see Queensland lead the nation in enacting the strongest protections for vulnerable persons against exploitation. I strongly urge the committee to enact laws that criminalize wage theft.

A simpler, cost-effective method should be introduced for workers to retrieve their wages. Those with the most limited financial resources are the most likely to be exploited. I called many lawyers, went to Fair Work, reached out to legal aid, and after months of seeking help, I only found one firm that took my case, although it will almost certainly result in a nil recovery for me after legal fees.

However, despite the unlikely prospect of any recovery, I believed it was important to make what happened to me available for others to view and to see how workers like me were treated. Stories like mine bring public awareness to the issue of wage theft, and that is why I am making this submission.

Kind regards,

Afshun Zareey