



## QLD Community Alliance Wage Theft Submission

### Contact details:

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The QLD Community Alliance makes this submission in response to the Wage Theft inquiry on the incidence of wage theft in Queensland.

### Introduction

The QLD Community Alliance is made up of 28 different faith, union, community and ethnic organisations across civil society working together for “the common good.” We work through an “organising cycle” whereby we listen to members, choose our priorities for action and work for solutions with business and government.

Our member organisations have heard thousands stories of about people being exploited at work. We decided to work on this issue through a discernment with 340 leaders across our Alliance in March 2017. Since then our Research-Action team has met with academics, interested organisations and other experts. We have also done further listening to our own members.

### Principles of employment from QLD Community Alliance

- That our society should be so structured and managed that there are opportunities for all people to find gainful employment.
- That the government has an important role to foster the creation of jobs and make accessible the matching vocational training.
- That the government and private sector recognise and respect the dignity of work and its importance in maintaining a healthy community.
- That we end modern slavery and all forms of labour exploitation.
- That vocational education is critical for skilling people to be ready for work and should not be corrupted as a vehicle of furnishing public monies for making private profit through the mere issue of certificates.
- That clear, accessible and affordable pathways exist to allow new Australians to have their overseas qualifications and/or skills and experience recognized.
- That the primary function of vocational education and training is to provide opportunities for individuals to develop the skills and knowledge that enrich our community and make our economy more sustainable and resilient.

### Experiences

From the hundreds of stories that we have collected, it has been identified that young people, migrant workers, refugees and international students are vulnerable to exploitation in the workforce. Experiences of wage theft have been heard through our listening process in industries such as contract cleaning, seasonal farm work, horticulture and labouring.

There is an increased necessity for state intervention because these industries have a transient workforce and lack union organisation. This means that workers lack bargaining power and are individually isolated when exploited. There are existing rights and regulations but better enforcement is required.

## Snapshot of the Cleaning Industry

### Sergio's story

"I'm from Columbia, I'm 30 and I came here by myself when I was 25/26. I moved here four years ago as an international student to learn English.

I came to Australia because it was a good country, a safe country and the economy was good. I was happy to come here to enjoy the country.

We are really disappointed and sad because no job are safe. Almost all the Latin American people are disappointed with the situation because we don't have support. In the beginning was really difficult to do something and to find work.

The first place I found at the time was at the University in Kelvin Grove. I left my cv there and the supervisor told me that I had to do training. I agreed and started to go from Sunday to Friday for 3-4 hours every day but without getting money.

After almost a week he gave me 2 hrs per day and I started to work there. After I had been working there for four months, he said to me the company is disappointed with you so they need a cleaner with really good experience. I didn't complain so I quit the job. I didn't know about my rights I didn't know he couldn't do that. I never went through management policy.

I found another job, a cleaning job. But it was working in domestic cleaning and the guy say we're going to pay you everything including superannuation. At the end of the day they would say you've just worked for 4 hours even if I worked 7 hrs.

They started to give me many excuses and I never received my pay slip and management say because we are working with our system so we're going to send you the payslip.

I was working with them for 2 years and I've never received my pay slip so I don't know how much I got paid per hour or if they paid tax or super properly. And it didn't just happen with me I used to work with 6 or more people.

I work 40hrs but get paid 20hrs. It is happening with many people.

You are losing money because you couldn't do anything to the guy who was the boss and he had the contract cleaning for the hotel. How can we report that kind that kind of situation and who is the entity we report to?

I rang to report one case and they can't help me, they said go to small claims court but I don't have money to go to small claims court.

We don't have permission to work other than 20 hours. You work for 20 and they pay you for 10. You spend 7 hrs working and they only pay you \$5 per day.

I'm not stupid I know what are you doing because I used to study accounting in my country.

In the Catholic community where I go to Mass every weekend, Fr Ignacio and everybody in the community knows me. With Fr Ignacio, the Catholics started to support us and to help us with what we have to do with that situation.

Sometimes the people offer you want to work with as a cleaner but we pay you 15 per hour with ABN but you have to have your own car. How that is possible how do we report that company?

When we come here we bring money but the money is only providing for 2-3 months. We have to do something to make money.

Through the union movement and faith and community groups we have heard many stories of international students, young people and migrant workers being exploited like Sergio. There is a clear imbalance in power in these industries between bosses and workers which means that wage theft is rampant.

In the cleaning industry sham contracting is common as people are often forced onto ABNs and not paid superannuation. Workers often do not understand what rights they have or what working conditions they are entitled to which are exploited by employers. The workforce is transient, low paid, and workers often do not trust or understand the role of the union. The lack of appropriate and enforceable laws makes it difficult for unions to organise workplaces to push back collectively against these conditions.

Workers on student visas are restricted to twenty hours of work. We have heard of instances where bosses offer students more than twenty hours, pay them cash at a lesser rate and then threaten that they will inform immigration when they complain. This means that workers are too scared to confront their bosses or speak out publically.

## **Our Recommendations**

### **Funding for education**

#### **Civil society**

- Vulnerable workers often turn to familiar organisations that they trust when they need support. This means that civil society organisations are best placed to educate workers about their rights. Often our faith groups and ethnic communities have limited understanding and capacity to adequately support workers, and those that are need more assistance. Funding for adequate educational material and resources would help organisations to support workers at risk of wage theft.
- Unions play a strong and important role in both the economy and civil society. They should be supported to directly educate workers on these matters as well as to build relationships and support with other civil society organisations.

#### **Schools and Tertiary Education**

- Young people are vulnerable to exploitation but are not being adequately educated about their rights. Schools and Universities are trusted institutions who should be able to educate students directly so that they are better able to navigate the workforce. We recommend that funding is given to enable these institutions to do this themselves, or to support other community organisations to do this.

#### **Business**

- More support should also be given to business to educate employers about their responsibilities to workers. We recommend that the Chamber of Commerce in Industry and QLD and similar bodies should also be given funding to do this task, or funding should be given to community groups to do this with them.

### **Labour hire Inspectors**

- The new Labour Hire Compliance Act and Labour Hire Compliance Unit has been a significant development in stamping out dodgy labour hire companies which perpetrate wage theft. However the depth and breadth of this issue is extensive and needs to be better resourced.
- We recommend an increase in the number of Labour Hire inspectors to a level sufficient to expose exploitative practices and create a level playing field for employers who do the right thing. Eight is not enough, we believe that this needs to be double. In March of 2018 Minister Grace Grace committed to the QLD Community Alliance to prioritise these inspectors to vulnerable industries of contract cleaning, seasonal farm working and hospitality. These inspectors should continue to give priority to these industries.

**Stronger Advocacy**

- There needs to be a more simpler process for the recovery of wages. The small claims court is expensive and time consuming. The Queensland government should more strongly and publically advocate for change at the Federal level to protect Queensland workers.