

Media

UNDER EMBARGO – 8.00PM JUNE 30

‘Business as usual’ as wage theft and exploitation remain rampant for international students in Australia

24 June 2020

Despite commitments to improve conditions, international students are still subject to wage theft and poor employment conditions, a new report finds.

A nationwide study involving 5000 international students has found the majority are experiencing serious wage theft with three in four students earning below the minimum casual wage and one in four earning less than half the minimum.

‘International Students and Wage Theft in Australia’ is the latest report from UTS Law Associate Professor Laurie Berg and UNSW Associate Professor Bassina Farbenblum, who co-direct the Migrant Worker Justice Initiative.

It builds on their 2016 national survey of temporary migrant workers. This new study finds that, despite efforts from the Fair Work Ombudsman over the last three years and stronger penalties against employers, it is still ‘business as usual’ in terms of the exploitation of international students.

A/Prof Farbenblum says the proportion of international students who are egregiously underpaid has remained essentially unchanged:

“Our findings show that tinkering around the edges of the problem isn’t working. Wage theft is endemic for migrant workers and indeed many Australian workers in certain industries. To seriously disrupt wage theft in Australia, we need urgent reforms to labour enforcement and student visa conditions, as well as a new wage recovery tribunal.”

A/Prof Berg says almost two thirds of international students didn’t seek information or help for problems at work.

“They suffered in silence, often because of visa concerns or fear of job loss. Our findings confirm many who complained were in fact sacked. Their visa concerns are also valid – there’s nothing to stop the labour regulator sharing information with immigration authorities if a student has worked more hours than her visa allows.”

The report forms part of the Information for Impact project, funded by StudyNSW, to better understand the problems international students encounter in work and housing, and to determine effective interventions.

Since this study, the impact of COVID-19 has seen many international students lose their casual jobs. Excluded from JobKeeper and JobSeeker assistance, many are left with no income to meet their basic living expenses.

“The COVID-19 shutdown has created a humanitarian crisis among international students and other migrant workers in Australia,” A/Prof Farbenblum says. “Many have been unable to pay their rent and joined foodbank queues.”

With the easing of restrictions, international students are in danger of becoming even more vulnerable to exploitation because of their highly precarious financial status and desperation for work in the tightly constrained labour market.

To document the extent of this crisis, the academics have just launched a world-leading COVID-focused nationwide survey of temporary migrants in Australia.

The new survey will gauge levels of financial insecurity, workplace exploitation and homelessness among international students and other temporary migrants who have remained here during the pandemic.

A/Prof Berg says we have moral and human rights responsibilities:

“The Federal Government cannot treat international students and their labour as a utilitarian commodity. During COVID-19, many international students were essential workers in aged care, supermarkets, food delivery and cleaning, keeping Australians safe, fed and cared for. Yet the Government turned its back on those who lost jobs and has failed to seriously address exploitation among those who are working.”

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International Students and Wage Theft in Australia - Background notes

UTS Law's Dr Laurie Berg and UNSW's Dr Bassina Farbenblum co-direct the [Migrant Worker Justice Initiative](#). They have published previous research reports on wage theft and exploitation of international students and temporary migrant workers, available [here](#). These include:

[*Wage Theft in Silence: Why Migrant Workers Do Not Recover Their Unpaid Wages in Australia*](#) (2018)

[*Wage Theft in Australia: Findings of the National Temporary Migrant Work Survey*](#) (2017)

Funded by StudyNSW (NSW Department of Treasury), in April-May 2019 they conducted the nationwide Information for Impact survey of over 5,000 international students. The survey addressed experiences in housing and work, and interventions that could improve their situation. The median age of the respondents was 23 and they came from 103 countries. The majority planned to stay in Australia and study for at least two years.

In December 2019, the authors published initial survey findings in a report, [*Living Precariously: Understanding International Students' Housing Experiences in Australia*](#), which revealed exploitative practices encountered by many international students in Australia, especially in share houses. In late 2020, the authors will publish survey findings on international students' knowledge of their rights and interventions that could assist them to avoid and address exploitative practices at work and in housing.

Key findings from the 2020 *International Students and Wage Theft in Australia* report include:

- 77 percent were paid below the minimum casual hourly wage.
- 26 percent earned just half the minimum casual hourly wage or less (a figure unchanged since the 2016 study).
- The overwhelming majority of students who were underpaid knew the minimum wage (86%), but 62% believed they were at fault for the underpayment and had broken the law by accepting below minimum wages.
- Students lacked an understanding of their rights in terms of casual loadings, penalty rates and other entitlements (75%) as well as their eligibility to claim the tax-free threshold (56%).
- 91% of those with self-reported poor or fair English were paid below the minimum casual hourly wage, but underpayment was also experienced by 68% of those with self-reported good or very good English.
- Underpayment was as common among Masters students as it was among English language students.
- 62% suffered wage theft in silence and did not try to access help or even seek information to address the problem with many fearing they would lose their jobs or their visa if they spoke out.
- 38% reported that they did not seek information or help for a problem at work because they did not want 'problems that might affect my visa'.
- 51% did not seek help or report wage exploitation because they believed they were complicit in breaking the law by accepting wages in cash.

Suggested changes:

- a new effective and accessible wage recovery mechanism.
- more effective government investigation and enforcement.
- removal of the 40-hour fortnightly work limitation on student visas which makes them much more vulnerable to exploitation and is commonly breached.

- introduction of an absolute firewall preventing the Fair Work Ombudsman sharing a worker's information with Department of Home Affairs to alleviate fears of visa problems if migrant workers report exploitation to the regulator.
- greater access to legal assistance including through education providers.
- Improved facilitation of collective action by international students and other workers.

The Temporary Migrants COVID Impact Survey can be found at bit.ly/auscovidsurvey. Further information about the survey can be found at www.mwji.org/covidsurvey. It closes on 20 July 2020.