Overview of the study

The National Temporary Migrant Work Survey is the most comprehensive study of wage theft and working conditions among international students, backpackers and other temporary migrants in Australia. The survey draws on responses from 4,322 temporary migrants across 107 nationalities of every region in the world, working in a range of jobs in all states and territories. Its unprecedented scope indicates the breadth, depth and complexity of non-compliance with Australian labour law.

Temporary migrants comprise up to 11% of the Australian labour market. Despite the prominence of migrant worker exploitation in the media, there has been limited empirical data on the overall nature and extent of wage theft among international students and backpackers in Australia. Still less is known about how experiences vary between students and backpackers, across nationality groups, or in different industries. This study begins to fill these gaps. It enables development of evidence-based policies and services that are more responsive to temporary migrants’ diverse experiences and needs, as identified by them.

The survey addressed the characteristics of temporary migrants’ lowest paid job, rates and method of pay, working conditions, how they found low paid work, their knowledge of Australian minimum wages and perceptions of their labour market. It was conducted online between September and December 2016, in twelve languages in addition to English. The survey was anonymous and open to any individual who had worked in Australia on a temporary visa.

Most participants (55%) were international students, followed by around a third (33%) who were backpackers (Working Holiday Makers) while working in their lowest paid job in Australia. Three quarters (77%) of international students were enrolled at a university and 23% were studying at vocational and English-language colleges. Almost half of participants (47%) were from countries in Asia, including 15% who were Chinese nationals (including Hong Kong). The majority of participants (57%) had undertaken their lowest paid job in New South Wales. Survey participants’ experiences broadly reflect current conditions as 69% had arrived in Australia since 2014 and 84% since 2012.

Key findings

A substantial proportion of international students, backpackers and other temporary migrants were paid around half the legal minimum wage in Australia.

At the time of the survey, the legal minimum wage for a casual worker was $22.13 per hour, but many temporary migrants would have been entitled to higher rates based on penalty rates and entitlements under relevant Awards. For example, a 21 year old standard fast food employee should have earned at least $24.30 per hour, and $29.16 on a Saturday.

- **Scope of underpayment.** Almost a third (30%) of survey participants earned $12 per hour or less. This is approximately half the minimum wage for a casual employee in many of the jobs in which temporary migrants work.
  - Almost half (46%) of participants earned $15 per hour or less (excluding 457 visa-holders).

- **Lowest paid jobs.** Underpayment was widespread across numerous industries but was especially prevalent in food services, and especially severe in fruit and vegetable picking.
  - Two in five participants (38%) had their lowest paid job in cafes, restaurants and takeaway shops. This was a far greater proportion than for any other type of job.
Almost a third (28%) of these workers were paid $12 per hour or less. Half (49%) were paid $15 per hour or less.

Jobs in food services strongly predominated as the lowest paid job among the top 6 nationalities of international students and backpackers.

Large-scale wage theft was prevalent across a range of industries, but the worst paid jobs were in fruit- and vegetable-picking and farm work.

Almost one in seven participants working in fruit- and vegetable-picking and farm work (15%) earned $5 per hour or less. Almost a third (31%) earned $10 per hour or less.

In convenience stores/petrol stations and car washes, a fifth earned $10 per hour or less (19% and 20% respectively). In retail, over a third (36%) received $12 per hour or less. Among cleaners, over half (56%) received $15 per hour or less.

**International students.** A quarter (25%) of all international students earned $12 per hour or less and 43% earned $15 or less in their lowest paid job.

University students did not earn substantially higher wages than students at vocational and English language colleges.

Students who worked more than 20 hours per week (potentially breaching their visa conditions) earned substantially lower wages than other students.

**Backpackers.** A third (32%) of all backpackers earned $12 per hour or less and almost half (46%) earned $15 or less in their lowest paid job.

**Nationalities.** Extremely poor wage rates ($12 per hour or less) were reported by at least a fifth of temporary migrants from every nationality.

Participants from several Asian countries had the lowest wage rates overall compared with participants from major English-speaking countries that had the highest rates. Around three quarters (75-81%) of Chinese, Taiwanese and Vietnamese participants earned $17 per hour or less, compared with 35-41% of American, Irish and British participants.

**How lowest paid job found.** Most participants who earned between $6 and $12 per hour found their job either through a friend or family member (23%) or by contacting their employer directly (24%). 17% found their job on an English-language site such as Gumtree, and 21% found it through an internet site in their own language. Three in five Koreans (59%) who earned $6 to $12 per hour found their job on a Korean-language website.

**Weekly hours worked.** Temporary migrants worked a substantial number of hours in their lowest paid job.

Almost three quarters (72%) of backpackers indicated that they worked 21 hours per week or more.

Two thirds (64%) of international students reported that they worked between 9 and 20 hours each week, and a further 13% worked 21 hours or more.

International students and backpackers were aware of the Australian minimum wage and knew they were being underpaid, but believed that few people on their visa can expect to receive that wage.

Contrary to popular assumptions, underpaid international students and backpackers knew they were receiving less than the Australian minimum wage. Among those earning $15 per hour or less,

Three quarters of students (73%) and backpackers (78%) knew that the minimum wage was higher than what they were earning.
86% of students at vocational and English-language colleges knew the minimum wage was higher than what they were earning, a higher proportion than among students at universities (69%).

Underpaid participants believed underpayment is endemic among people on their visa. At least 86% of temporary migrants who earned $15 per hour or less believed that many, most or all other people on their visa are paid less than the basic national minimum wage.

Employers widely paid temporary migrants in cash and did not provide pay slips, especially in food services and among Chinese workers.

- A substantial proportion (44%) of temporary migrants were paid in cash, and 50% reported that they never or rarely received pay slips. This rose to almost three quarters of those paid $12 per hour or less (70% paid in cash and 74% rarely or never received pay slips).
  - Two in three (65%) waiters, kitchen-hands and food servers were paid in cash.
  - Two in three (65%) Chinese participants were paid in cash, far higher than proportions of American and British participants (26% each).

International students, backpackers and other temporary migrants also experienced other indicators of exploitation and criminal forced labour.

- 91 participants had their passport confiscated by their employer (3%) and 77 by their accommodation provider (2%). Most were in food services (28%) or horticulture (18%).
- 173 participants (5%) paid an upfront ‘deposit’ for a job in Australia.
- 112 participants (4%) indicated that their employer required them to pay money back in cash after receiving their wages.

Conclusion

The study confirms that wage theft is endemic among international students, backpackers and other temporary migrants in Australia. For a substantial number of temporary migrants, it is also severe.

This raises urgent and challenging questions for a number of actors. For government, it demands examination of levels of resourcing required to address the scale of non-compliance, and consideration of specialised programs and infrastructure to prevent and remedy wage theft among temporary migrants. Employers, franchisors and businesses at the peak of supply chains must employ more effective methods to detect and remedy wage theft in the knowledge that it is widespread within their industries in Australia. The findings also invite scrutiny of how certain businesses profit from wage theft and gain advantage over others that pay workers in compliance with Australian labour law, and how wage theft among temporary migrants may be driving wages down for all workers in certain industries.

The study presents confronting data for educational institutions regarding their international students, and raises questions as to the support services the sector should provide. It also indicates an urgent need for resourcing of legal services, community organisations and unions to provide far greater levels of support to underpaid temporary migrants. Finally, the findings raise challenging questions regarding the benefits that consumers may derive from wage theft in the form of lower-priced food, goods and services -- questions which have yet to receive sustained attention in Australia.