



# Disposable: The war on young workers

REPORT INTO YOUNG WORKERS' EXPERIENCES IN  
ACT WORKPLACES

**UNIONS**ACT

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Trades & Labour Council of the ACT **ABN 31 724 041 495**

UnionsACT acknowledges that Canberra has been built on the land of the Ngunnawal people.

We pay respect to their Elders and recognise the strength and resilience of Aboriginal and Torres Strait Islander peoples.

# REPORT

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# ABOUT UnionsACT

**We are the ACT's leading voice for working people, their families and communities.**

UnionsACT is the peak council for the ACT's union movement, representing 24 unions and over 33,000 union members. Many tens of thousands more have their conditions of employment shaped by the work and representation performed by our affiliates.

Formed in 1931 as the Trades and Labour Council of the ACT, UnionsACT and our affiliated unions have campaigned for, and successfully won, a wide array of rights and entitlements for working people in the ACT. We are proudly and fearlessly independent, and advocate solely in the interests of our affiliates and their members.

Our mission is to create a society and economy that operates in the genuine interests of working people.

We campaign for **big, important and permanent changes** to improve the safety, dignity and health of all working people, at work and in the community.

## OUR VALUES

### WE ARE UNION

We are proudly union and stand for the principles of unity, solidarity, democracy and dignity of work.

### WE ARE INDEPENDENT

We fiercely and fearlessly represent the interests of our affiliates, their members and working people, and the communities they live in.

### WE ARE RESPECTFUL

We respect each other, our affiliates, our allies and we do not underestimate our opponents.



**UnionsACT represents over 33,000 members, their families and their communities. With over 20,000 community supporters, we are the largest representative organisation for working people in the Canberra region.**

# Report

## INTRODUCTION

The exploitation of young workers in Canberra by employers has become routine, and is no longer confined to a few rogue employers. Young people experience wage theft, illegal unpaid trial shifts, and unsafe work from the moment they enter the work force. The negative impacts are felt worse by young women in work, and by queer-identifying young people.

In fact, young people increasingly tell us that employers treat them as “disposable”, as easily replaceable. Time and time again, the young workers we speak to tell us of being treated with disrespect by employers and supervisors, and of their fear of speaking up or complaining.

This report comes after decades of eroding workplace rights, growing inequality and rampant lawbreaking by businesses both large and small. In recent years, the issue of severe exploitation of young workers has gained increased public attention, especially through high profile examples of systematic worker exploitation at major franchises

that employ young workers, including 7-Eleven, Crust Pizza, Nandos, Pizza Hut, McDonalds and Grill'd, amongst others.

The impact of exploitation of young workers can be devastating for the individuals. The exploitation, unsafe work, and exposure to bullying and harassment from a young age impacts young peoples’ physical, emotional and mental health. And it normalises illegal employer behaviour.

Workers as young as fifteen in the ACT have reported experiencing severe exploitation, harassment and unsafe work. The vulnerability of workers at this age makes wage theft, bullying behaviour and unsafe work especially serious. A third of workers as young as fifteen report that their experience at work makes them regularly feel anxious or stressed.

The prevalence of young worker exploitation is also a matter of grave concern. Seventy percent of young workers we surveyed reported unsafe working conditions. Over seventy percent reported that they were victims of wage theft, and over half had been illegally required to work one or more unpaid trial shifts. And

eighteen percent reported not receiving payslips from employers, an unlawful oversight by employers that makes it impossible for a young person to know if they are being correctly paid.

The unavoidable conclusions from this survey are:

1. Exploitation of young workers in the ACT is far too prevalent, and the exploitation is having serious impacts on the health and wellbeing of young workers.
2. Protections in the Fair Work Act and the ACT's Work Health and Safety Act are not working. The system relies on individuals reporting wage-theft and unsafe working conditions, with no recognition of how risky or difficult that is for the young worker involved.
3. There is significant under-reporting of illegal employer actions, largely due to the highly precarious nature of how young people are employed. Young workers are overwhelmingly employed on a casual, insecure basis and feel that if they speak up, they will be sacked or lose shifts.
4. Women and queer-identifying workers experience greater levels of exploitation, bullying and harassment, and have lower wages.
5. Governments are not doing enough to prevent this exploitation from occurring.

Employers who show a callous disregard for young workers' rights and safety have little to fear from Federal or ACT regulators, and this culture of exploitation flourishes as a result.

A new approach to protecting the rights of young workers is needed. Both Federal and ACT Governments must increase inspections, and increase compliance and enforcement activities.

Unions need greater powers to access workplaces where suspected exploitation of young workers is taking place, to investigate contraventions of the law, and represent and organise young workers to collectively enforce their rights. Penalties for employers who knowingly exploit, underpay young workers aged under 18, or put young workers in unsafe workplaces, must be significantly increased. This should include bans on employers being able to employ young workers. Further, employers found to exploit, harm or steal from young workers should be named and shamed on a public register.

Finally, the ACT Government should provide resources to unions to provide education and information to young workers in schools and universities.

The rates of exploitation, wage-theft and unsafe work experienced by young workers in the ACT should be a wake-up call for the ACT Government, and the Federal Government. It is unacceptable that employers can routinely subject young workers to exploitation and unsafe work with no fear of consequences. It is unacceptable that young workers accept illegal behaviour by employers as "normal".

The ACT Government regulates the employment of young people through the Children and Young Person's Act. It should take leadership and responsibility in the absence of action by the Federal Government. Unions are ready to work cooperatively with the ACT Government to ensure that Canberra becomes an exploitation free city.

## BACKGROUND

Young workers in Australia face high levels of underemployment, unemployment, and are vulnerable to the negative impacts of insecure and unsafe work practices.

The number of young people in Australia who are unemployed or underemployed is at its highest level in nearly 40 years. The ACT youth unemployment rate is 12.9%, more than triple the ACT average, while youth underemployment is at 18%. Fears of being sacked and "blacklisted" for complaining can lock young people into risky jobs, even if they are underpaid or unsafe.

After being presented with evidence of widespread exploitation of young workers, including wage theft, bullying, harassment and sham-contracting, UnionsACT conducted in depth qualitative research.

Our research confirms that young people in the ACT are facing increased living costs, worsening work-life balance, unsafe workplaces and the normalisation of underpayment. Young workers describe this experience as being treated as "disposable" by employers. Experiences are worse for young women, who face gender-based bullying and harassment, experience

lower pay and feel less confident about their future prospects.

Young people who are employed are now far more likely to hold a part-time or casual job than they were before the global financial crisis. The growth in the number of insecure and non-permanent jobs has impacted people of all ages in the workforce, but it has had the worst impact on young people who tend to have little bargaining power, lack information about their rights, and no other experiences of work.

The occurrence of unpaid work experience – including unpaid internships, bogus traineeships, and unpaid trial shifts – has become increasingly common in Australia, and in Canberra. One third of working Australians have participated in at least one unpaid work experience in the last five years, despite the fact that unpaid internships, traineeships, and trial shifts are illegal.

Employers are requiring more experience for entry-level jobs, crowding out those who have not been able to take an unpaid work experience. For many young people, this has led to a prolonged transition from education to employment, as they have to undertake further (potentially unpaid) experience or spend longer looking for work.

Young workers lack experience and are generally unfamiliar with workplace procedures and policies. Employers often disregard complaints or questions by young people who do not understand their rights at work and are afraid to speak up. Our research finds that young people are generally aware of their poor bargaining position, although they are not clear on what they can do about it. Of all age groups in the

workforce, young people are least likely to be union members.

This state of disadvantage is happening in a context where awareness about unions and their role in the workplace is decreasing. Through our Students United program, UnionsACT has encountered a significant gap in young people's knowledge of workplace rights and responsibilities. This knowledge gap means young people tend to be more accepting of unsafe work practices, and unaware of how to ensure their own safety and the safety of others at work. It is impossible for a young worker to complain about the violation of their workplace rights if they don't know it exists.

The purpose of this survey is to explore the issues discussed above, identify trends that are impacting young people at work, and provide solutions to the problem of exploitation and precarious work for young workers.

## **SURVEY METHOD**

UnionsACT conducted a comprehensive survey of young people across all regions and industries in the ACT. Respondents range between the ages of 15 to 25 and include a variety of cultural backgrounds, genders and sexual orientations. Our sample size was over 260 respondents and was open to any person under the age of 25. The data was collected through both online and face-to-face surveys, over a period of two months in January and February 2017. We primarily distributed the survey through our website and at universities.

This research is qualitative, and does not seek to be a representative sample. Rather, it focuses on the individual and personal stories which contribute to, and are illustrative of, a broader systemic and cultural practice of exploitation.

## **SURVEY RESULTS**

### **RESPONDENT INDUSTRIES**

Respondents to our survey were principally employed in either the hospitality and tourism (31%), or retail and sales (27%) industries.

These two industries combined made up nearly 60% of respondents. This is significant as the recent Fair Work Commission decision to cut penalty rates applies to retail, fast food, pharmacy and hospitality workers – industries in which young people are over represented.

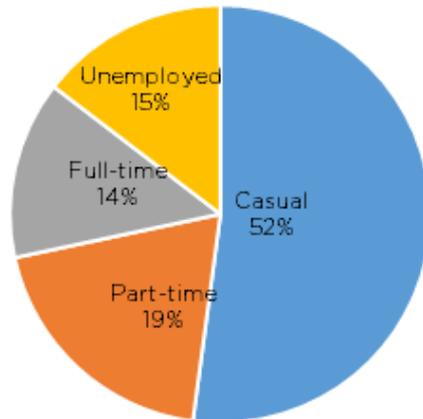
Furthermore, more than 80% of young workers reported that their income was not enough to live comfortably on. This suggests that any penalty rates cuts will significantly impact standard of living for young people who are already struggling to get by.

### **RESPONDENT EMPLOYMENT STATUS**

Respondents to our survey were overwhelmingly employed on a casual or precarious basis. Eighty five percent of respondents combined full or part-time study with work.

Although employers present casual and part-time work as beneficial to workers (e.g. more "flexible")

## Respondent Employment Status



respondents to our survey said that irregular or casual rostering has the largely negative impacts, creating extra time pressure and financial insecurity.

This can be seen in the survey results, where 36 percent of respondents reported they would like to work more hours and more than 80 percent reported that their income was not enough to live comfortably on, with 25 percent regularly struggling to make ends meet. This indicates that part-time and casual jobs do not provide sufficient financial security for young workers.

Respondents also reported that the casual nature of their work impacted on their health. With no access to sick leave, young workers had to make the choice of going to the doctor and not getting paid. For many, that choice simply saw them go to work when they were unwell, which worsened their illness and delayed recovery.

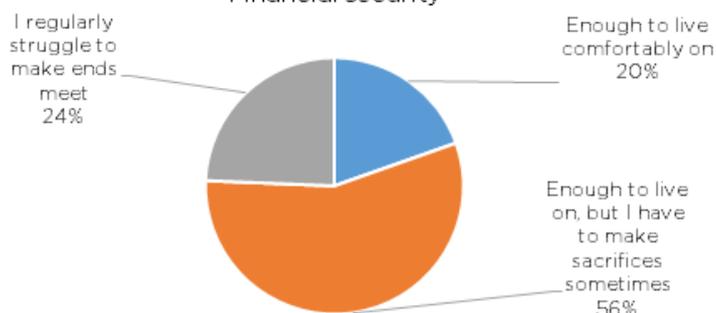
## UNDERPAYMENTS AND UNPAID WORK

Theft, committed by employers who steal wages from their employees, is widespread in Canberra. A large majority of young workers reported they had been underpaid or not paid at all for the work they had done.

Seventy six percent of young workers have been underpaid. This manifests in a range of ways, including non-payment of penalty rates, misclassifications, manipulations of timesheets, theft of tips, non-payment of superannuation, and payment via cash-in-hand.

Over half of young workers have been required to work unpaid, principally through unpaid trial shifts. Unpaid trial shifts are illegal. Fifty six percent of respondents reported they had been required to work an unpaid trial shift. In a large number of cases, the illegal unpaid trial shift did not eventuate into ongoing work. In some cases, the employer required the young worker to work unpaid for a prolonged period of time, up to three weeks of daily full-time shifts in one instance.

### Financial security



The following quotes from survey respondents give real life examples of underpayment and unpaid trial shifts occurring in the ACT:

*"My boss would bully me into working more hours and not pay me for them."*

*- Female, 18-20, part-time worker*

*"Employer refused to increase my wage from \$10.37/hour after I turned 15, and again after I turned 16 - they actually deducted \$0.10/hour as a punishment for asking, so I quit."*

*- Male, university student, casual worker*

*"My boss underpays me but it's not legal so I don't say anything."*

*- Male, year 12 student, casual worker*

*"5 days a week, 2 hours a day at a newsagency, for free! So they could "train" me."*

*- Female, university student, currently unemployed*

*"I've done about four different unpaid trials. I was told I would be paid but I never was."*

*- Female, university student, casual worker*

### Pay slips

One of the most commonly cited issue amongst young workers was pay slips. This includes the failure by employers to provide pay slips, either in a timely manner, or at all. Although eighteen percent reported not receiving payslips, many more raised the questions or concerns about the manner received, timeliness or information on pay slips.

Although this may seem to some as a minor breach of workplace laws, receiving a pay slip ensures young workers can review that they are correctly paid, correctly classified, and allows them to keep accurate records. Employers must provide payslips within a day of paying the worker, and the pay slip must include important information, including: the employer's name and ABN, the pay period and date of payment, gross and net pay, the hourly rate, loadings and allowances, deductions, and superannuation contributions.

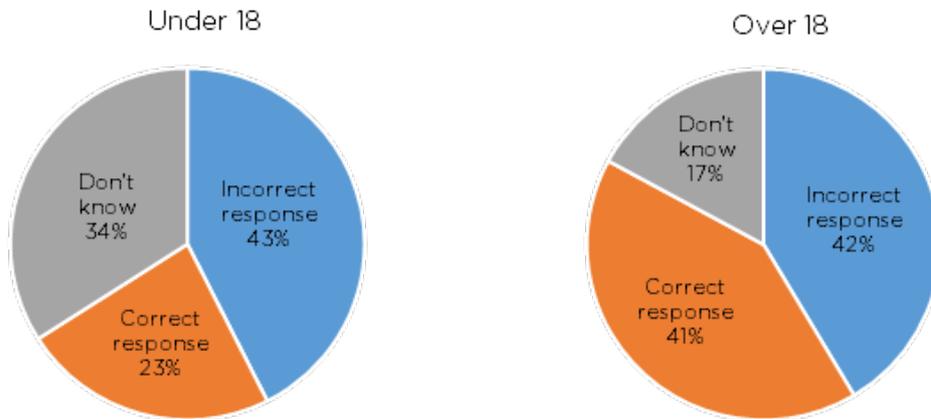
All of this information is vital for a young worker to check that their workplace entitlements are being respected. Our survey highlights that young people want this information, but are denied it – either due to accident omission by employers or by intent.

### AWARENESS OF RIGHTS

For many young workers, in their first or second job, it's hard to know what the minimum wage is, what penalty rates are, what work safety rights they have, and who to ask for help. Young workers report that there is little information provided at school or university about workplace rights. It is impossible to complain about the violation of your rights at work if you do not know what they are.

Only eleven percent of young workers felt that young people are able to stand up for their rights at work. Respondents overwhelmingly reported that they felt

Awareness of minimum wage, by age



young workers were more vulnerable to being ripped off and treated unfairly. Young workers suggested it was for the following reasons:

- Less awareness of rights at work and lack of information about how to enforce workplace rights. Young people often feel that this lack of knowledge was deliberately exploited by their employer. Many young workers told us they felt disrespected by their employer, and lacked the ability to stand up to those who were seen as authority figures.
- Insecure and casual work, as well as the unskilled nature of many jobs performed by young workers means that they are treated as “disposable”.
- Fear of being sacked. Young people are scared to speak up about their rights out of fear they will lose their job or have shifts removed. – if they won’t work for below the minimum wage, it won’t be hard for the employer to find someone

else who will.

- Exploitation is presented by older workers and employers as a “right of passage”. Young workers who did speak up or complain about workplace rights violations reported being told that the exploitation is “just something everyone has to go through.”

These suggested reasons were backed up by our survey which found that most young workers had little knowledge of their basic rights at work.

The starkest example of the lack of knowledge of basic workplace rights relates to the minimum wage. Only 38 percent of respondents could correctly identify the minimum wage, and that proportion dropped to 24 percent for young workers aged under 18.

This demonstrates that educating young people, especially those of school age, about their rights and entitlements at work, must be an essential part of the response to young worker exploitation.

## SAFETY AT WORK

UnionsACT has previously released the summary report into young workers' experience of workplace safety. A startling proportion of young workers experience unsafe workplaces in Canberra, including bullying and harassment.

### **Harassment and bullying at work**

Seventy percent of young workers have experienced bullying or harassment at work. A concerning number of young workers said they felt unable to report bullying/harassment to their supervisors.

Young women, LGBTQI young people, and international students experienced bullying and harassment at substantially higher rates compared to other workers.

*"Worked with a verbally abusive man who got in a few physical fights with other male employees. He was good at his job so he was never fired".*  
- Female, university student, part-time worker

*"I felt bullied by my boss when I fell pregnant and fell very sick. I was harassed by text message and was told I needed to quit".*  
- Female, university student, part-time worker

*"The manager was verbally abusive, bullied and harassed staff and apparently secretly filmed them too".*  
- Female, university student, part-time worker

*"When asked what nationality I was, I said I am half Filipino, so my ex-boss said I would be great at cleaning, and got me to clean the kitchen".*  
- Male, university student, unemployed

## GENDER, SEXUALITY AND RACE IN THE WORKPLACE

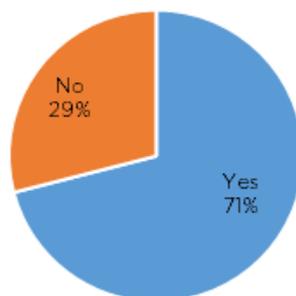
### **Bullying and harassment**

Exploitation, unsafe work and bullying is worse for young women, young queer-identifying workers, and young workers from culturally and linguistically diverse backgrounds.

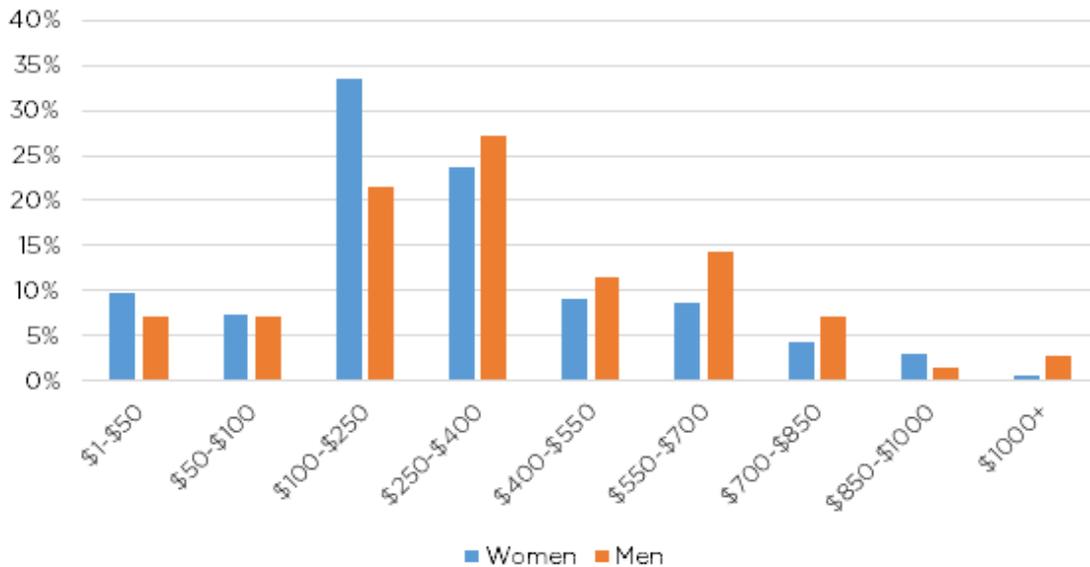
Our research suggests that some employers purposely and maliciously exploit their power imbalance and vulnerability of young women workers and workers with poor English skills.

The gendered nature of this experience is particularly troubling. Gendered violence is pervasive in Australian society, and it is unsurprising that it occurs in workplaces in the form of bullying, harassment and physical violence against women. Nonetheless, it is unacceptable that this takes place, and that it is

Have you ever felt bullied or harassed at work?



Weekly income by gender



perpetrated against young women from the moment they enter the workforce.

(do nothing) perpetrates a culture of sexism and normalises illegal, often misogynistic behaviour.

*“When I worked for an upper class restaurant I was sexually assaulted a number of times. This was molestation, not rape, but I note that after I complained to my supervisor after the fifth time it happened, there were no repercussion for him, and I had to continue to work with him and deal with his touching and comments. One of my male coworkers eventually spoke to him, and he left me alone. This went on for about 2 months”.*  
Female, Part Time, University Student

*“Sexual harassment from a co-worker. I ended up quitting because my work refused to acknowledge that the guy was doing any wrong”.*  
Female, 18-20, Casual

In many cases, the gendered nature of the violence, harassment or hazard manifests in the response by the employer or manager. In most cases the employer is a man, and the young woman is employed in a low-paid, insecure job. The employer response

### Gender pay gap

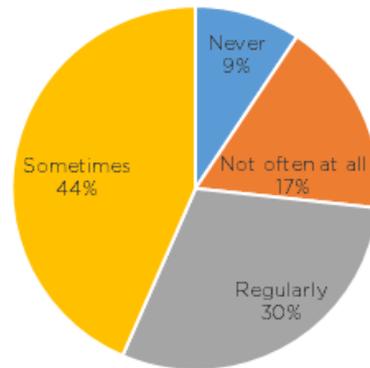
The gender pay gap in Australia sits at 17.2 percent. Our research shows that young women experience the gender pay gap from the moment they enter the workforce.

The survey results show that even in industries and jobs that are paid at or around the minimum wage, women are overly concentrated in lower income-bands. Young women workers have greater caring responsibilities, experience unpaid work at greater rates than men, and experience gender-based discrimination.

### Anxiety and stress

Young women workers experience more stress and anxiety from their work than men. 74 percent of women respondents reported feeling stressed or anxious due to work regularly or at least some of the time.

What happens at work can make me feel stressed or anxious?  
(Women)



*"An older and higher ranking employee at [employer] constantly was belittling me, giving me looks that made me feel very uncomfortable and would often ask if I was a "retard" or "stupid". Some nights I would come home in tears. My decision to leave the job was largely impacted by her behaviour".  
Female, 18-20, Casual, High School Student*

Stress and anxiety: 41 percent of queer identifying respondents regularly felt distressed at work. Again, this was higher than any other group.

*"A former manager of the restaurant I worked at was homophobic and very intimidating."  
Male, Queer Identifying, Unemployed, University Student*

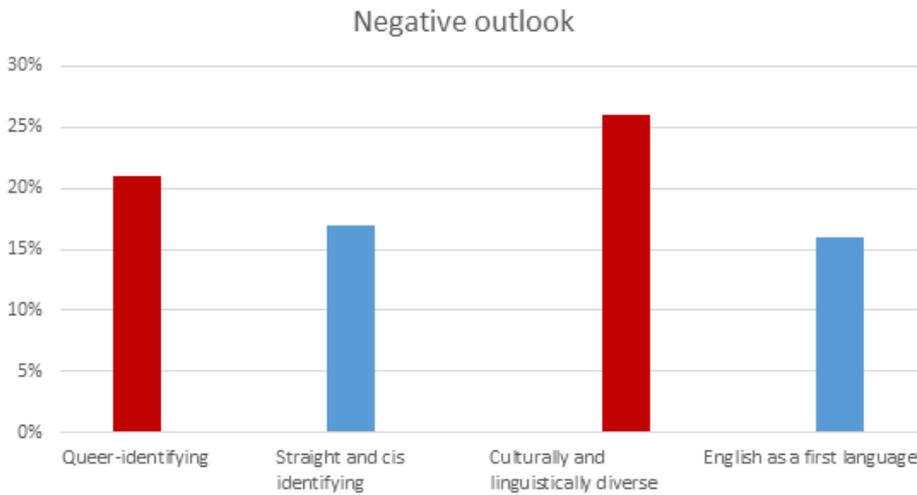
**Queer Identifying Young Workers**

Bullying and harassment: 78 percent of queer identifying respondents reported feeling bullied or harassed at work. This was the highest percentage out of any group to respond to our survey.

**OUTLOOK**

When asked how optimistic they were that they would be able to find paid work in the next few months, queer-identifying young people and young workers from culturally and linguistically diverse backgrounds were far more likely to feel either 'negative' or 'very negative'.

This reflects not only those young peoples' experiences at work, but also the increased layers of disadvantage that queer-identifying, and culturally and linguistically diverse young people face in other aspects of their lives.



## DISCUSSION

At the beginning of a young person’s career we expect that they will be exposed to positive and engaging learning experiences in the work place. As it stands today, this is not the case in Canberra.

Young people are being exposed to unsafe working conditions, routinely have their work rights violated, and they are experiencing bullying and harassment. Young women are being sexually harassed and made to feel unsafe at work. Queer identifying young people are being bullied, harassed and made to feel unsafe at work. Young workers are being underpaid and are stuck in a cycle of insecurity. Young workers are three times more likely to be casual than older workers.

Our survey has exposed the widespread, systemic exploitation of young people at work, and the structural issues at play that make young workers vulnerable, allow businesses to break the law with few consequences, and allowed unsafe practices to flourish. The results of this survey show that young people in Canberra are often exposed to negative work experiences.

Work should be a positive, safe experience for young people. Instead, young people are forced to work at the bottom of the labour market, in precarious and unsafe working conditions.

UnionsACT has for many years sought to increase public awareness of the challenges that young people are facing in Canberra’s workplace. This report adds to the growing body of knowledge that shows the culture of exploitation and complacency of illegal work practices young people are exposed to in Canberra.

The current laws and systems that provide information and security for young workers has failed.

Workers as young as fifteen are entering the workplace with little or no knowledge of their workplace rights, or knowledge of who can help them. The lack of knowledge extends to the most basic of rights, including the minimum wage.

Young women in work are at increased risk of being exploited or experiencing unsafe work, compared to men. This manifests in lower incomes, and increased

risk of gendered bullying, harassment and occupational violence.

This is similarly the case for queer-identifying young people who are faced with a culture of violence and harassment due to the continuation of homophobia, queer-phobia and trans-phobia in the workplace.

when they feel unsafe or exploited. These unjust conditions disproportionately impact groups who already experience disadvantage, such as women, queer-identifying people and ethnically diverse people.

## CONCLUSION

The existing workplace laws, both Federal and in the ACT, have failed to protect young workers. Young workers are ill-equipped by schools and universities with even basic knowledge of their workplace rights.

This is happening in a context where an increasing number of businesses are integrating illegal behaviour and violation of workplace laws into their business models. The Federal and Territory government institutions established to enforce the law have proven incapable of doing so adequately.

Young people are faced with a labour market in which the rules are rigged against them. Young workers have little job security, and little power to speak up

# RECOMMENDATIONS

## STRENGTHEN RIGHTS FOR UNION INVESTIGATIONS

Where there is evidence of underpayments, wage-theft, or illegal workplace practices taking place, unions should have powers to investigate further. In the absence of willingness by the current Federal Government, the ACT Government should examine what legislative ability it has to provide increased powers to unions to protect young workers.

## ESTABLISH A CERTIFICATE SYSTEM FOR EMPLOYERS OF YOUNG WORKERS

The ACT Government currently regulates the employment of young workers through the Children and Young People Act (2008). Regulations create requirements that include: that childrens' studies are not impacted by work; and that guardians' consent is required for children aged under 15 to be eligible to work.

A substantial number of young people aged under 18 are in the paid workforce, and existing regulations provide no protection to those young workers. In 2013, the ACT Government has established a certificate system, called Active Certification, to implement the health and safety recommendations of the 2012 Getting Home Safely report. The aim of Active Certification is "to drive a process of cultural change to improve safety" for all employers in the construction sector by establishing an auditing regime and points system for contractors seeking prequalification for government contracts.

UnionsACT recommends that the Children and Young People (Employment) Standards be amended, or a new standard be created, to create a certification and auditing regime for employers of children to improve work health and safety standards. The system should be modelled on the existing Active Certification policy for health and safety in the construction sector, and apply to employers who employ five or more young people. This would create a certificate for employers of five or more young people, that requires the employer to demonstrate they have appropriate WHS systems in place to address work safety for young people. The certification system would also be used to ensure the employer complies with the existing Standards for employing children and young people, for example, the paying wages correctly, or providing pay slips. Using a points system, employers may have their certificate reviewed, suspended or revoked for non-conformance with WHS laws or the Standards.

## **HARSHER PENALTIES FOR SERIOUS AND REPEAT OFFENDERS**

Some businesses knowingly underpay young workers. The current fines and penalties are not a deterrent. There are few consequences for wage-theft, other than back-paying their worker what they are owed. Federal penalties should be increased, and expanded, including bans on repeat offenders to be company directors.

The ACT Government should also examine its regulation of businesses who employ young people, especially children. Employers who routinely exploit young workers, commit wage-theft, or provide unsafe working conditions should face restrictions on their ability to employ young workers, including temporary disqualifications, and permanent bans.

Businesses who exploit young workers or expose them to unsafe work, should also face reputational consequences. The ACT Government should establish a public register that lists businesses that are found to have negligently allowed a workplace injury involving a young worker. This will allow the community, parents, and young workers to know about the safety record of a business.

## **INCREASED EDUCATION AND SUPPORT FOR YOUNG PEOPLE**

UnionsACT already works with the Education Directorate and individual schools to provide information about workplace safety to young people. The ACT Government should fund the development, with unions and teachers, of a curriculum focused on workplace rights and work safety. Early education

about workplace rights and safety will equip young people to be active and informed participants in ensuring their rights are protected.

The ACT Government should fund active outreach to young people, in schools and university, including a legal advice service. This service would proactively educate young people about their workplace rights and safety rights, and also provide a free legal service to young workers.



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