

# Pandemic exposes Australian employers' exploitation of young backpackers

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A sharp drop in the number of young international backpackers in Australia due to the COVID-19 pandemic has created a “labour crisis” for agricultural, tourism and other employers that have relied heavily on them as super-exploited cheap labour.

Wages and conditions are so poor throughout entire industries that for decades major employers and labour hire contractors have depended increasingly on “working holiday maker” visa holders and overseas workers on other temporary visas to extract profits.

Successive governments, both Liberal-National Coalition and Labor Party, have created and extended these visa programs to allow employers to impose shocking conditions of low wages, backbreaking conditions and other abuses on visiting young people.

Recent media investigations and reports have highlighted systemic under-payment, wage theft and accommodation rip-offs, as well as sexual harassment. These practices have flourished despite a series of government and parliamentary inquiries.

An Australian Broadcasting Corporation (ABC) report titled, “There are no human rights here,” revealed some of the abuses occurring under the federal government’s Working Holiday Maker (WHM) visa scheme.

One backpacker, Elin, said her piece rate payments sometimes equated to as low as \$2.50 an hour. A subcontractor had made sexual advances, and she had been asked to post job ads on Facebook groups targeting Asian workers, with a \$100 commission if they took the offer.

Another ABC report featured Kiah Flower, a backpacker from the US who lost her restaurant job at Queensland’s Airlie Beach, due to the pandemic. She then got a strawberry-planting job near the regional city of Bundaberg through a labour hire company which

offered accommodation. She said she was receiving less than the minimum wage and could not afford her rent.

Under the WHM visa scheme for young people aged 18 to 31, they must work in designated regional areas and industries for 88 days if they want to apply for a second year visa.

Merle Quaak, from the Netherlands, arrived earlier this year. She accepted the first job she could find in order to complete her 88 days of farm work. This was on a piece-rate contract picking tomatoes and she ended up receiving \$111 for seven days’ work. She then found another job in a packing shed with an hourly wage rate, but her pay slips were inaccurate.

Another backpacker, Ellie, from Europe said her labour hire provider submitted different names for tax purposes, changed her name, and submitted false claims of superannuation contributions on many of her payslips during her tomato picking job in Bundaberg from April to June 2020.

These instances highlight employers’ use of illegal false record keeping and pay slips in order to manipulate records. This makes it easy for labour hire companies to shut down and restart operations under different names, a process termed “phoenixing.”

Backpackers are highly vulnerable to exploitation under this scheme. They can become locked in a cycle of debt with their sub-contractor, hostel owner and/or farmer, and in some cases have their passport or wages held at ransom.

There is also a six-month cap on backpackers staying with the same employer, yet workers must be with an employer for that period to file an unfair dismissal claim with the “Fair Work” authorities. This lack of protection against dismissal discourages visa holders from raising safety or wage theft concerns.

Yet the only response of the political establishment to the abuse exposures has been to expand such programs and extend them to jobless workers and school leavers to overcome the loss of about half the backpacker workforce because of the pandemic.

An interim report by the latest parliamentary inquiry, currently being conducted by the bipartisan Joint Standing Committee on Migration, said WHM visa holders are being employed in a wide range of industries beyond fruit-picking, including in health services and nursing homes. They “provide a vital labour source in the agriculture, horticulture, food processing, tourism, hospitality, health and aged care sectors.”

The interim report, released this month, emphasised the demands of agricultural employers for new sources of cheap labour. It stated: “Given the number of WHM in the country fell from approximately 140,000 in March 2020 to 70,000 in June 2020, the NFF [National Farmers’ Federation] stated that ‘the industry will be confronted with a labour crisis, the likes of which it has never seen before.’”

The NFF told the parliamentary committee that between 20 and 60 percent of some categories of farm workers are made up of people on the Working Holiday Maker visa.

The committee, which includes Labor and Greens representatives, recommended that Prime Minister Morrison’s Coalition government urgently develop and implement a “Have a Gap Year at Home Campaign” to attract young workers, particularly school leavers and university graduates, to undertake regional work. It said the campaign should “appeal to young Australians’ patriotism and their sense of adventure.”

Another recommendation includes allowing workers on JobSeeker unemployment benefits to retain their poverty-line payments while taking low-paid agricultural and horticultural work.

How low the wages are was indicated by a submission to the inquiry by AUSVEG, the peak employers’ body for the vegetable and potato industries. It complained that JobSeeker payments were acting as a disincentive for jobless workers to pick crops.

AUSVEG said “many growers have reported that they’ve had workers collect their final pay cheques and leave because they’d rather go home and receive the

JobSeeker payment than work on the farm. To put it in perspective, after tax there’s only about a \$250 per fortnight difference in take-home pay for a level 1 on the horticultural award to that of the JobSeeker payment.”

Last month, the government cut the JobSeeker benefit by \$300 a fortnight to around \$800, in a deliberate move to force unemployed workers into such work, or back into unsafe conditions amid the worsening global pandemic.

The government has also launched a pilot program of bringing up to 200 workers from Vanuatu, a small impoverished former French colony in the Pacific, into the Northern Territory to pick mangoes.

Farming is one of the most dangerous occupations in Australia, accounting for 21 percent of workplace fatalities. The employers profit from a widespread lack of regulations and one of the most poorly regulated labour hire industries in the world.

An official Fair Work Ombudsman “Harvest Trail” inquiry, which ran from August 2014 to November 2018, found a multitude of breaches of the Fair Work Act, with more than \$1 million in stolen wages affecting over 2,500 workers. However, there have been no significant changes. Instead, the parliamentary elite is moving to expand the super-exploitation.



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