

Australian report documents “Blue Harvest” wage theft of international backpackers

Virginia Browne
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A recently released McKell Institute study entitled *Blue Harvest* exposes widespread wage theft in the Coffs Coast region of northern New South Wales. Located halfway between Sydney and Brisbane, the area grows 65 percent of Australia’s blueberry crop.

The report, which was sponsored by the Australian Workers Union, the Transport Workers Union and the Shop, Distributive and Allied Employees’ Association, reveals that illegal labour hire practises, severe underpayments and the brutal mistreatment of international backpackers on working holidays are endemic.

While *Blue Harvest* contains testimony from young backpackers on Australia’s Working Holiday Makers (WHM) scheme, the authors state that their study is not a unique exposure. The report, which only covers the 2019–2020 harvest season, is one of several recent reports highlighting wage theft, underpayment and harsh exploitation. These include not just those on the WHM scheme but workers in a range of industries, including retail, restaurants, banking, manufacturing and even tertiary education.

The government’s WHM scheme is dressed up as a “cultural exchange initiative” with its mission statement declaring that participants “would emerge as lifelong ambassadors of the values Australians hold dear.” In reality, the scheme, from its beginnings in 1975, has served to introduce a low wage cohort of international backpackers into the Australian labour market.

Most of the WHMs picking blueberries in Coffs Coast are young international backpackers on 417 visas. Their 12-month, temporary visas can be extended for an additional year if they complete 88 days of prescribed regional work picking fruit.

This requirement means that employers can exert exceptional pressure on the backpackers who only want to complete the labour “obligation” in order to extend their

visas, return to urban centres or continue their travels in Australia.

Labour hire contractors with no apparent Australian Business Number (ABN) are widespread in the Coffs Coast area. The lack of an ABN is not only illegal, but can jeopardise workers who need legitimate documentation of their work records to secure the 417 visa.

Several large companies operate in the Coffs Coast region employing WHMs on low pay. Some companies require application forms that take up to six weeks to process. Many backpackers are forced into the arms of ruthless labour hire contractors who offer immediate employment, allowing them to begin or to continue the required 88 days, while waiting for their applications to be approved.

The report describes some of the methods used to reduce wages. One of these consists of using daily fluctuating piece rates, supposedly attributed to changing “market rates,” but arbitrarily set by the employer to ensure that workers’ pay remains below the minimum wage. Workers allege that when fruit is easier to pick, daily piece rates are low and when the fruit is harder to pick (i.e., on crops with a lower yield) the rate is slightly higher.

Jessica, a 24-year-old from Britain, worked in the Coffs Coast blueberry industry between May and September last year. She told *Blue Harvest* that she was lured to the area after seeing online advertisements promising \$1,000 per week. Instead, she faced illegal pay rates, poor accommodation and verbal abuse. For 18 hours of work between June 20 and 26, Jessica was paid just \$143 before tax, equating to an hourly rate of \$7.95.

“It was a massive scam to get people to come... [and] in the first couple of weeks I probably made like a hundred dollars,” she said. “As a WHM no matter how much you earn you’re taxed 15 percent of anything you make... you

can't really make any money."

Makato, a 28-year-old Japanese man, said: "Some pickers... didn't even get paid at all. The contractors just disappeared." He also complained of delays in payment, bullying and being forced into unpaid administrative work advertising picking jobs and hiring workers. He alleged that he did this work for one month without receiving any pay although he was offered an attractive hourly remuneration.

A 26-year-old female from Ireland said: "The only thing that makes the farm picking worthwhile is meeting new people and making friends. The bad side is using up your savings that you worked hard for to pick berries."

With only four hostels operating in the area, the vast majority of WHMs are forced to reside in share houses. Unscrupulous landlords in the Coffs Coast area also profit from the WHMs, cramming between 6 and 12 people into houses and charging from \$125 to \$150 per person, a net profit around three times the median rent of comparable properties in the region.

One resident told *Blue Harvest* that the landlord allowed two additional WHMs to sleep in their cars in the driveway. They were charged the same rate as other tenants in the share house on the dubious grounds that they were using amenities.

Blue Harvest also provides a glimpse of the substandard accommodation provided to blueberry pickers employed under Australia's Seasonal Workers' Program, which recruits workers from Pacific island nations.

This housing consists of clusters of shipping containers accommodating 90 individuals. Each container holds two bunk beds for four residents and costs \$120 a week per tenant. The combined payment of the four workers is the same as renting a three-bedroom house in the area. On top of the high cost of rent, workers are charged \$50 per week for transport to and from the worksite.

Following *Blue Harvest*'s release, Australian Workers Union national secretary Daniel Walton feigned outrage and declared that minimum conditions should be "nailed down in law." The union, he said, would apply to the Fair Work Commission to amend the current horticulture award so workers receive the poverty-level \$24.80 an hour minimum casual wage instead of "piece-work" rates.

All this is hot air. The unions, having collaborated with consecutive Liberal-National Coalition and Labor Party governments, opened the way for the brutal work practises that dominate the industry. They have presided over the destruction of full-time jobs and the rampant casualisation of the workforce, that underlies wage theft

and super-exploitation.

In line with its union sponsors, *Blue Harvest* calls for stronger enforcement of workplace compliance laws, a redesign of the visa system, union worksite inspections, an income safety net for piece-rate workers, national labour-hire licensing, the criminalisation of wage theft and a royal commission into the industry. In other words, industry work practices should be codified and unions given coverage of the workforce.

Last year, as the *Blue Harvest* report was being finalised, the unions seized on the COVID-19 pandemic to deepen their collaboration with the government and big business over wide-ranging changes to industrial relations. In March, the ACTU helped employers cut the pay and conditions of millions of workers in hospitality, retail and clerical work. It also agreed that employers across the board could do likewise under the JobKeeper wage subsidy scheme.

In mid-October, Australian Council of Trade Unions (ACTU) national secretary Sally McManus revealed that "broad agreement" had been reached on several measures, including an offer to end civil or criminal penalties for employers paying under the legal rate of remuneration.

McManus calculated that employer groups and Prime Minister Scott Morrison's government would return the favour by recognising that "union coverage" is the best mechanism for policing the working class. The agreement could mean that any repayments to workers who have been systematically underpaid would be off the negotiating table.

The fight for decent wages, working conditions and accommodation for international backpackers, Pacific islanders and all sections of the working class requires the formation of rank-and-file committees. These committees must be entirely independent of the unions and mobilise the broadest layers of workers on a socialist program and against the profit system.



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