ACTU
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media release

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# Employers using "cash-in-hand" work to rip off workers and taxpayers, new research finds

One in four young workers are not receiving their legal entitlements to penalty rates, sick leave, superannuation and other conditions because employers are using a black market cash economy to avoid their obligations, according to new research.

A survey of more than 1000 workers commissioned by the Victorian Trades Hall Council and the ACTU reveals the shocking abuse of "cash-in-hand" in the modern Australian economy.

The survey is to be launched today at the Young Workers Conference in Melbourne.

ACTU President Ged Kearney said employers paid workers cash-in-hand to avoid their legal obligations and to dodge taxes.

"The illegal use of cash-in-hand payments to workers is one of the dirty secrets of the Australian economy, and is being used by employers who don't mind ripping off the taxpayer and denying entitlements to their workers," Ms Kearney said.

"It is appalling that at the same time we have employers running a major campaign to abolish penalty rates, we find that between 50-60% of all young workers in black market jobs are denied their basic legal entitlements including penalty rates, superannuation, annual leave, sick leave and basic notice before they get the sack."

Ms Kearney said cash-in-hand work was another example of the rise of insecure work in Australia.

"We are seeing a rise in casual, contract and other forms of work that mean workers do not have sick leave and annual leave, and which shift risk from employers to workers."

"Workers are increasingly doing jobs that have irregular and inconvenient hours, have limited entitlements and have no job security. Cash-in-hand work is just part of this trend, which makes it tougher for workers."

The national survey, conducted by Essential Research between 12 and 23 September, found that 13% of workers had worked 'cash-in-hand' in the last three years, and 5% were working cash-in-hand in one of their current jobs. A clear majority of cash-in-hand workers were not receiving penalty rates, annual leave or sick leave, and a worrying 48% not being paid superannuation.

Younger workers were more likely to work cash-in-hand than older workers, with 24% of people aged 18-29 saying they had worked cash-in-hand.

"There is a real concern that young workers are being told they must work cash-in-hand by employers if they want to get the job," Ms Kearney said.

"The majority of businesses do the right thing and pay the taxes they are required to. They should be outraged by this behaviour, because it means they are forced to compete with companies that have an unfair advantage. Cash-in-hand work, like sham contracting, hurts workers and businesses that do the right thing and pay their tax and entitlements."

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