

Tuesday 17 May 2016

Young workers exploited due to lack of knowledge and enforcement of employment rules

Allegations published today by Fairfax that Price Waterhouse Coopers have been selling “unpaid internships” show how employers are able to exploit unclear and unenforced rules surrounding employment relationships.

The move towards internships replacing paid employment is a worrying trend. Rather than pushing back against this problem, Malcom Turnbull’s Government used the recent Federal Budget to outline a plan for \$4 an hour internships, where employers would be paid \$1,000 to take on an intern and the Government would also foot the \$100 a week salaries.

Lack of awareness of existing employment law makes workers – especially young workers - unsure of what they should expect to be paid, and allows employers to exploit a situation in which if you stand up for your rights there is always another person to replace you who is willing to accept less than what they are owed.

The government is creating an environment which pressures young and vulnerable people into accepting unfair employment conditions. By cutting funding for vocational training they are limiting young people’s access to proper skills training, compelling them to take any \$4 job or “internship” that comes their way.

Quotes attributable to ACTU Secretary Dave Oliver:

“The lack of clarity around employment relationships is leading to wide-spread exploitation of young and vulnerable people through unpaid work placements.”

“This has to end, and the government must lead this change.”

“Young people must be educated on their rights, what they should expect to be paid, what they can and cannot be asked to do by employers - these are the basic rights of all workers in our society.”

“Exploitation is not the way to stimulate growth in skills, generate stable jobs or growth in the economy and the government must help job seekers by enforcing employment law and educating employers about their responsibilities.”

ENDS

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Key Facts:

The Ombudsman's position is that:

- Anyone who is not participating in work as a requirement of an education program (a vocational placement) or a volunteer (who cannot be compelled to perform work by an employer) is in an employment relationship.
- Anyone in an employment relationship should receive the minimum wage and all other conditions and benefits of employment.
- Unpaid internships are only lawful if the worker is the primary beneficiary of the relationship – either because it is a requirement of a school, University or TAFE course, or because they are receiving significant skills training.
- A relationship in which the worker does the same work as another employee, does not receive significant skills training and is not receiving education credits, is unlawful.

See the Fair Work Ombudsman's website for further information:

https://www.fairwork.gov.au/how-we-will-help/templates-and-guides/fact-sheets/unpaid-work/unpaid-work#employment_relationship