



NTEU wage theft report



National Tertiary
Education Union
Let's aim higher

Executive summary

Wage theft has shamefully become an endemic part of universities' business models. This report uncovers the staggering value of wages stolen in the university sector.

This analysis of 34 cases conservatively found a collective **\$83.4 million** that was owed to staff across the higher education sector. A further three ongoing cases will almost certainly break the \$90 million threshold - a shameful indictment that demands a major response from governments and universities.

Australia's biggest public universities post massive surpluses while vice-chancellors and other senior executives receive millions of dollars in salaries each year. These same wealthy institutions fail to pay hard-working staff who are integral to the teaching and research which generates revenue and delivers immeasurable public good.

More than **\$80 million** in underpayments have been uncovered since 2020 across public universities.

The NTEU alone has recovered many millions of dollars in stolen wages. Some universities have admitted wrongdoing while others choose to pursue expensive litigation to fight against the staff that they owed wages.

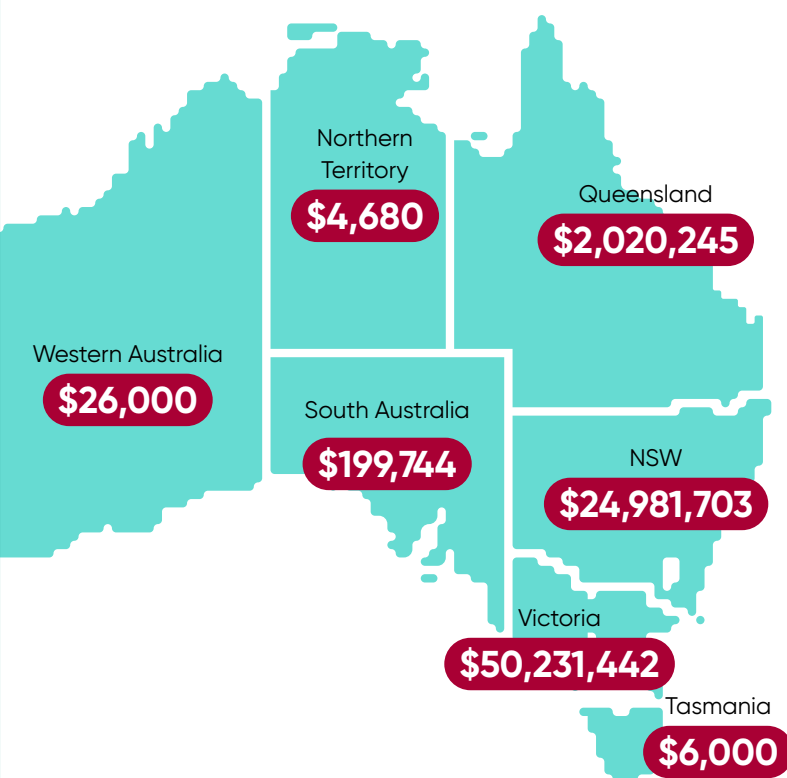
The figures

\$83,363,141 – the total amount of money identified as wage theft across the higher education sector

The NTEU analysed 34 separate incidents of wage theft across 22 institutions in which a dollar amount had been disclosed.

A further three cases not included in the total: Monash University, University of NSW and Deakin Universities are all ongoing. The NTEU expects these claims will run into millions of dollars, taking the total wage theft figure across Australia's public universities well past \$90 million in cases identified over just the past three years.

STATE BY STATE



INSTITUTION	INCIDENTS	AMOUNT
University of Melbourne	4	\$31.6m
University of Sydney	2	\$12.75m
RMIT ¹	1	\$10m
Monash ²	1	\$8.6m
Newcastle ³	1	\$6,269,421
CSU ⁴	1	\$4.7m
La Trobe	1	\$3.5m ⁵
Academy of Information Technology	2	\$2,199,623
Griffith	3	\$1,121,655
Macquarie	2	1.03m
UQ	2	\$895,410
UTS	1	\$222,581
UniSA	2	\$182,709
UTas		\$6000
Federation Uni	3	\$66,874
Swinburne	1	\$37,729
University of Western Australia	1	\$26,000
University of Sunshine Coast	1	\$11,777
Flinders University	2	\$17k

- 1 RMIT to pay \$10m in unpaid wages to casual academics in dispute dating back to 2014 – Herald-Sun <https://www.heraldsun.com.au/news/victoria/rmit-to-pay-10m-in-unpaid-wages-to-casual-academics-in-dispute-dating-back-to-2014/news-story/b5c59d831f255d3541b851dfc931c0e8>
- 2 The NTEU alleges Monash University underpaid staff millions of dollars in a case currently before the Federal Court and Fair Work Commission. See case study pg 4.
- 3 University to back-pay \$6.2M for staff underpayments – Coast Community News <https://coastcommunitynews.com.au/central-coast/news/2022/09/university-to-back-pay-6-2m-for-staff-underpayments/>
- 4 Charles Sturt University reveals it owes \$4.7m to more than 2,500 current and former casual employees – ABC <https://www.abc.net.au/news/2022-08-04/charles-sturt-university-casual-worker-underpayment-since-2015/101297840>
- 5 NTEU media release, December 2021 – <https://www.miragenews.com/la-trobe-university-to-back-pay-staff-3-5-694460/>

Case study Monash University

While Monash University admitted to \$8.6 million in wage theft in 2021, management is fighting tooth and nail against separate allegations that the NTEU argues could represent another multi-million dollar claim.

Instead of admitting wrongdoing and repaying staff, Monash has applied to retrospectively change its enterprise agreement in the Fair Work Commission so it is no longer liable to pay staff the money the union alleges is owed.⁶

This could set a dangerous precedent for workers across Australia.

The NTEU alleges the University systemically underpaid sessional teaching staff by requiring them to “deliver scheduled student consultation without payment separated from the rate they receive for delivering tutorials”, incorrectly tied to the rate they receive for delivering tutorials.

Monash has a budget of \$3 billion and made a \$416m operating surplus last year. Yet it is going to extraordinary legal lengths to avoid paying money allegedly owed to staff.

THE CAUSE

Higher education wage theft comes in many forms.

It includes being paid for fewer hours than the work takes, paying piece rates for marking instead of the actual time worked, and sham contracting to undercut Award and Agreement entitlements.

Teaching misclassification is among the most common forms of wage theft in universities.

Unpaid overtime is also common across universities which in some cases set unrealistic time frames for marking and other work to be completed.

Long service leave entitlements, superannuation and allowances not being applied have also been exposed in higher education.

In some cases, internal audits have revealed wage theft, but often it has only been through the work of the NTEU that underpayments are detected and repaid.

High rates of casualisation in tertiary education drive wage theft.

Casually employed workers are more vulnerable to wage theft than those who have secure employment. Two thirds of all staff at Australian universities are employed insecurely through casual or fixed-term arrangements even though most of the work they perform is needed on an ongoing basis.

Casual workers can be subject to power inequities and fear of reprisal⁷ – including the loss of work. Many workers are reluctant to raise complaints over underpayment, or to ask for compensation for hours worked for free when they require contract renewals every teaching period.

The rampant corporatisation and lack of accountability of public universities has fuelled the fire. For the future of higher education, this problem must be urgently tackled across the sector.



6 Union launches landmark ‘wage theft’ case against Monash University over casual pay – The Age <https://www.theage.com.au/national/victoria/union-launches-landmark-wage-theft-case-against-monash-university-over-casual-pay-20220916-p5b1qg.html>

7 University of Melbourne faces court – Fair Work Ombudsman <https://www.fairwork.gov.au/newsroom/media-releases/2022-media-releases/august-2022/20220811-uni-of-melb-litigation-media-release>

Case study

The University of Melbourne

The University of Melbourne prides itself on being Australia's number #1 university⁸. Unfortunately for staff who are directly responsible for achieving that ranking, it is also the nation's leading higher education wage thief.

This historic institution has become Australia's first university to achieve the bleak milestone of having underpaid staff more than \$30 million.

The University admitted in November 2022 it had started back-paying more than 15,000 staff who were owed \$22 million⁹.

That revelation came a little over a year after Melbourne repaid \$9.5 million to 1000 casual academics¹⁰. It posted a \$584 million surplus last year¹¹

Unlike some other managements, The University of Melbourne has apologised for wrongdoing and in these cases committed to repaying tens of thousands of staff who were victims of both scandals.

Most recently the University of Melbourne has been taken to the Federal Court by the Fair Work Ombudsman¹². The Ombudsman alleges the University failed to pay a group of casual academics for all hours of marking work performed, as required under its enterprise agreements and instead paid staff based on benchmarks, including fixed rates per item marked.

The University faces significant penalties if the Court finds against it.

The outcome of this case could have significant implications for other universities given that benchmarks like fixed piece rates are widely used across the sector.



- 8 Times Higher Education World University Rankings 2023/QS Graduate Employability 2022 <https://about.unimelb.edu.au/facts-and-figures>
- 9 Melbourne Uni to repay another \$22m in wage theft scandal - Australian Financial Review <https://www.afr.com/work-and-careers/education/melbourne-uni-to-repay-another-22m-in-wage-theft-scandal-20221102-p5buzb>
- 10 University of Melbourne repays \$9.5m it owes to casual academics - The Australian <https://www.theaustralian.com.au/higher-education/university-of-melbourne-repays-95m-it-owes-to-casual-academics/news-story/1180f5dc498a35ff00b3d4ffbb-b4c417>
- 11 University of Melbourne posts \$584m surplus during pandemic - The Australian <https://www.theaustralian.com.au/higher-education/university-of-melbourne-posts-584m-surplus-during-covid/news-story/77e6ed9bc4e58ad960a190eeaa0b9e69>
- 12 University of Melbourne faces court for alleged underpayments, serious contraventions - Fair Work Ombudsman <https://www.fairwork.gov.au/newsroom/media-releases/2023-media-releases/february-2023/20230210-university-of-melbourne-second-litigation-media-release>

The solutions

Criminalise wage theft

The Federal Government's next tranche of significant industrial relations legislation must include strong criminal penalties for wage theft. Before the election, the Albanese Government committed to criminalising wage theft as part of its Secure Australian Jobs plan¹³. Strong penalties including jail for the worst offending is needed to deter this shameful practice.

Implement the recommendations¹⁴ of the ALP-led Senate Select Committee on Job Security inquiry

This inquiry recommended ensuring casual conversion laws apply to workers in higher education among five specific measures aimed at the sector. Public funding would be made conditional on universities setting publicly available targets for increasing ongoing employment and reducing casualisation, and report their progress against these targets on an annual basis. More detailed employment data would need to be provided to the Federal Government, as well as funding being increased under a reformed model.

Root and branch parliamentary inquiries into university governance

The scale of wage theft across the sector highlights the lack of accountability across public universities. State and federal parliaments should hold inquiries to find out what is rotten at these beloved institutions. Inquiries should investigate why wage theft is so widespread, what the common factors among managements implicated in underpayments are, and how governance structures can be reformed to stamp out wage theft.

13 <https://www.alp.org.au/policies/secure-australian-jobs>

14 https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Job_Security/JobSecurity/Fourth_Interim_Report



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