

Not very charitable as collectors are underpaid



The Australian Marine Conservation Society hired MonDial to warn about coral bleaching on the Great Barrier Reef.
Picture: XL Catlin Seaview Survey

- The Australian
- 12:00AM April 13, 2016
- ELIZABETH COLMAN



Industrial correspondent
Sydney
[@elizabethcolman](#)

KYLAR LOUSSIKIAN



Journalist
Sydney
[@kloussikian](#)

On the sixth floor of a North Sydney office block, a team of call centre workers listen to members of the Australian Marine Conservation Society warn about the dangers posed by the Adani Carmichael coal mine in central western Queensland.

After the society's presentation, the employees at MonDial Telephone Fundraising, a for-profit company unlike its charity client, hit the phones to call households around the country, warning about the risk of coral bleaching on the Barrier Reef. Then, on behalf of AMCS, they ask for donations.

But although AMCS turned up at MonDial's offices to drill its call centre staff on the perils of dredging in the Galilee basin — and later monitored workers to ensure they sold the message well — they never checked if the staff were paid the proper rates.

Following inquires from *The Australian*, MonDial wrote to employees admitting “underpayment”. Attached to the letter was a deed offering a final settlement based on the 2010 award on the basis of confidentiality.

In the increasingly pressured business of soliciting donations from your wallets and purses, it is not the first time charities have come under fire before for the misdemeanours of for-profit middlemen. “Charity muggers”, workers who bail you up in the street and ask for donations via credit card, are recruited by third parties, and some of them have been chastised for unlawful employment. The Fair Work Ombudsman prosecuted fundraising company Australian Sales and Promotions for breaching employment, in 2013 and 2014, with the federal court fining the company for failing to comply with the award.

But the MonDial case raises fresh questions about unlawful employment in the charities sector, which some say is far more widespread than reported.

MonDial, owned by a European group trading as Generous Global Giving, raises funds for Greenpeace, Oxfam, Unicef, The Wilderness Society, AMCS and dozens more. Its call centre workforce is typical: students, backpackers and a few older semi-retirees.

When told of MonDial’s underpayments, the Australian Marine Conservation Society said it was “concerned to hear these allegations”. “We are strongly committed to fair pay for all workers and are urgently undertaking our own investigation into these allegations,” the organisation says.

The charities say that under their contracts, fundraisers must comply with the law. But are they doing enough to ensure compliance?

[GRAPHIC: Fundraising](#)

University graduate James Evans, 22, one of up to 60 workers who was paid below the legal award at MonDial, feels ripped off. The charities he raised money for were “relentless about making sure you stay on message to protect their brand and make them the most money”, says Evans. “But they never bothered to check we were being paid right.”

“I thought charities like Oxfam made sure workers are looked after and wanted to end income inequality ... I guess that only applies to workers in developing countries, not to the Australian workers making money for Oxfam?”

MonDial paid Evans \$21.09 an hour and \$22.09 on Saturdays, his pay slips show. As a casual Customer Contact Officer Level One under the 2010 Contract Call Centre Award, he should have made \$23.88 on weekdays and \$29.85 on Saturdays — that’s an underpayment of \$7.76 an hour or \$62 for a full shift on Saturdays. MonDial ended up owing him more than \$400. A year’s worth of weekend work would have left him \$3000 out of pocket.

Evans only worked at MonDial for a matter of weeks while saving to go travelling in Europe, but with over 60 casual workers and the award in operation since 2010, MonDial could owe workers over \$1 million, the union claims. The NUW believes it owes roughly \$643,000 since 2013.

Oxfam would “reconsider our relationship” with MonDial if “it is demonstrated that MonDial has not complied with the requirements of the law,” a spokeswoman says. “We expect all our suppliers to comply with Australian law and we believe strongly that workers rights are key to alleviating poverty and inequality.”

However, the charity provides a glowing reference for MonDial on the firm’s website. “We work with MonDial because they aren’t just a telemarketing supplier, they’re a partner in our fundraising program. MonDial consistently demonstrates their commitment to our goal of a future free from poverty,” it says.

The NUW says for profit telephone fundraisers can legally keep more than 60 per cent of the money they raise in the name of charities, and face to face for-profit fundraisers, such as chuggers, generally keep 100 per cent of monthly donations for the first year.

The structure of MonDial’s contract with charities is unclear. Public records show it kept 43 per cent of the total amount collected on behalf of charities in 2009, when it collected \$2.71 million from charities and was paid \$1.88 million. In 2013, however, it collected \$2.09 million and declared income of only \$483,480. Between 2009 and 2014, MonDial collected \$11.5 million from charities and kept \$5.3 million — 46 per cent, records show.

Greenpeace Asia Pacific was “unaware of this situation until today”, Asia Pacific head of advancement Nicola Norris said when *The Australian* contacted her about MonDial last month.

Greenpeace says contracts with suppliers state they must comply with legal requirements and the charity has since pledged to write to MonDial “to hold them to their legal commitments and obligations”. “Greenpeace obviously does not condone any employer not complying with their legal obligations to their employees.”

“MonDial has told us they are having regular meetings with the union over this issue and back-paid most of their staff, so they have satisfied us for now that some action has been taken,” Norris adds.

But with underpayment stretching back as far as six years, tracking down workers to reinstate their pay will be a challenge, although the company tells *The Australian* “a review into historical queries has commenced”.

“We are maintaining our engagement with HR professionals to ensure our obligations and commitments to staff are and remain as they should be,” says MonDial chief executive Ashley Rose.

The Wilderness Society, Unicef, as well as AMCS, all say they were unaware of the underpayments until *The Australian* informed them.

Tim Gunstone, lead organiser at the NUW, says that’s not good enough. “Charities who trade on their ethical reputation to raise money have a responsibility to guarantee the ethical treatment of workers raising funds on their behalf,” he says.

Charities expressed concern and vowed to stay on top of the situation, but Gunstone says he’s talked with renowned international organisations who “brushed off concerns” and “claimed that by outsourcing the work they outsource any responsibility for the workers”.

That charities engage fundraisers without checking if workers are treated legally and ethically is a betrayal of “public trust” he says. “Young people desperate for work are sucked in by job ads that promise they can change the world, only to end up being underpaid by large for-profit companies while being taught how to manipulate donors into giving larger and more frequent donations.”

The NUW is on a drive to unionise workers at for-profit charity fundraisers, a mostly untapped source of potential members. It has struck a deal with Insight Charity Fundraising Services in Sydney’s Surry Hills, which is concluding a union collective agreement that will provide above-award working conditions.

The NUW wants charity industry lobby group the Public Fundraising Regulatory Association to help create an industry-wide award, but the industry group has resisted the push.

PFRA's board includes Amnesty International Australia, Australian Red Cross, Cancer Council NSW, Greenpeace Australia Pacific, MSF Australia and The Fred Hollows Foundation.

PFRA says unlawful employment practices should be referred to the Fair Work Ombudsman. In response, Gunstone accuses PFRA of "doing nothing to address the illegal and unethical employment practices, rife in the industry".

"Hypocrisy" and "illegal behaviour" is rampant in face to face fundraising, he says, and charities' good work "is endangered by ... the lack of any genuine oversight by charities."

He cites PFRA's decision to grant membership to Australian Sales and Promotions in 2015, despite the company's multiple prosecutions by the Fair Work Ombudsman.

Paul Tavatgis, director at PFRA, says he is "concerned to hear of the allegations" against MonDial. "The Public Fundraising Regulatory Association exists to improve standards in Australia's face to face fundraising sector. We will do all we can to work with the relevant authorities to make sure all fundraisers are fairly treated," Tavatgis says.

Another employment practice used by recruiting fundraisers is also causing concern. Appco, a foreign-owned fundraising company, specialises in soliciting donations for charities door-to-door and through so-called charity muggers — dubbed "chuggers" — who approach pedestrians.

While MonDial employs staff direct, Appco recruits via complex subcontracting arrangements.

In a case of the middleman hiring a middleman, Appco, which is a PFRA board member, recruits workers via subcontractors.

Crucially, workers are hired as independent contractors. Companies that use independent contractors do not have to comply with the award, or withhold superannuation and other entitlements.

The Australian has obtained the contract and employee training manual, of one such subcontractor used by Appco. The contract states that workers must be hired as independent contractors.

Gunstone says these so-called “independent contractors are predominantly young people and very often travellers ... None of the accepted contractor tests are met”.

Tim Lyons, labour relations expert from Per Capita consultancy, says: “Face to face fundraisers being forced to get an ABN and work in the role of an independent contractor is a classic example of sham contracting; and it is done quite deliberately to shift risk from the marketing company to the employee.

“It’s where a company deliberately pretends a group of workers aren’t employees to avoid all their obligations under workplace relations law, and most obligations under tax, safety and workers comp.”

The Australian is not suggesting that Appco has knowledge of practices by subcontractors or has engaged in wrongdoing itself.

Appco strenuously denies it engages in such contracting, and says it audits its subcontractors to ensure they are legally compliant.

However it declined to comment or answer any questions, including about the use of independent contractors hired through middlemen companies.

Questions about a gift voucher fundraising program Appco ran for Special Olympics Australia, a charity which organises sporting events for people with intellectual disabilities, prompted a NSW Office of Liquor, Gaming & Racing investigation.

NSW Fair Trading says the OLGR investigation “found breaches of conditions of (SOA’s) charitable fundraising authority in relation to inadequate disclosure of information on advertising material and a failure to take reasonable steps to ensure profits represented a fair and reasonable portion of the income generated”.

Fair Trading says Special Olympics Australia decided to discontinue the gift voucher program and implemented reforms to its operations to ensure compliance.

Another face-to-face fundraiser in the industry is Queensland's Cornucopia, where Phaweng Bahula, 50, worked on and off for about a year as a contractor, raising money for Medecins Sans Frontieres and the Fred Hollows Foundation, among others.

He tells *The Australian* that "(Cornucopia) shows you how to apply for the ABN online".

"Sometimes you earn nothing, sometimes you earn something."

But if Bahula was hired as an employee, rather than a contractor, such a situation would be illegal. The NUW accuses Cornucopia, of pressuring workers into applying for ABNs. In a statement, Cornucopia it says "it engages all fundraisers in full accordance with the laws and rejects any assertion of unethical practice".

Says Lyons: "The fact that so many of the biggest charities we have are prepared to use unscrupulous companies would shock most people who make donations.

"These charities outsource to middlemen companies, who keep most of the value, they rip off the donor, the worker and the charity".

colmane@theaustralian.com.au