



Fair Work

OMBUDSMAN

ENFORCEABLE UNDERTAKING

dated 27 July 2012

Given by

Rentokil Initial Pty Ltd

to

The Commonwealth of Australia

(as represented by the Office of the Fair Work Ombudsman)

concerning contraventions of Commonwealth workplace laws

Details

Parties

FWO	Name	Commonwealth of Australia (as represented by the Office of the Fair Work Ombudsman)
	ABN	43 884 188 232
	Address	The Fair Work Ombudsman GPO Box 465 Adelaide SA 5001
	Telephone	0411 654 985
	Fax	(08) 8303 0423
	Attention	William Bourke Chief Advisor

Rentokil Initial	Name	Rentokil Initial Pty Ltd
	ABN	98 000 034 597
	Incorporated in	New South Wales
	Address	Unit A1, 3-29 Birnie Avenue Lidcombe Business Park Lidcombe NSW 2141
	Telephone	(02) 8719 6300
	Fax	(02) 8719 6330
	Attention	Managing Director
	Name	Greg Worthington-Eyre
	Address	Unit A1, 3-29 Birnie Avenue Lidcombe Business Park Lidcombe NSW 2141
	Telephone	(02) 8719 6209
	Fax	(02) 8719 6110

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| Reffals | A | On 24 March 2010, the Office of the Fair Work Ombudsman (FWO) commenced an investigation into allegations that Rentokil Initial Pty Ltd contravened Commonwealth workplace laws. |
| | B | By reason of the matters set out in Attachment "A" (Background), the FWO has determined, and Rentokil Initial Pty Ltd acknowledges, that Rentokil Initial Pty Ltd contravened Commonwealth workplace laws. |

- C** The parties have agreed to resolve the contraventions without the need to resort to civil penalty litigation by way of this Enforceable Undertaking (EU) made pursuant to section 715 of the *Fair Work Act 2009* (FW Act).

Governing law

Commonwealth

Date of agreement

The date the parties execute this EU. See Signing Page of this EU.

General terms

1. Admission of contravention

By reason of the matters described in Attachment "A" (Background), which are admitted without demur by Rentokil Initial Pty Ltd, that Rentokil Initial Pty Ltd contravened Commonwealth workplace laws in the respects set out in Attachment "B" (Contraventions).

2. Limit of admission

2.1 The FWO acknowledges that the terms of this EU:

- (a) are solely for the purposes of resolving the FWO investigation into the Contraventions; and
- (b) must not be interpreted as an admission by Rentokil Initial Pty Ltd of liability for any matter, other than as expressly provided in this EU.

2.2 No assertion or matter in this EU may be relied upon as an admission by any person to support a cause of action in any other civil penalty proceeding.

2.3 However, this term does not prevent any matter in this EU being relied upon in future proceedings in order to inform a relevant Court or tribunal of the details of the conduct that was the evidentiary foundation for Rentokil Initial Pty Ltd entering into this EU.

2.4 This means that the FWO reserves the right to rely on the terms of this EU and the admissions in respect of any future proceedings brought by the FWO against Rentokil Initial Pty Ltd in relation to any future contraventions of Commonwealth workplace laws.

3. Enforceable undertakings

Rentokil Initial Pty Ltd **NOW UNDERTAKES** that, in consideration of the FWO agreeing not to apply for any orders under Division 2 of Part 4-1 of the FW Act in relation to the Contraventions (as evidenced by the FWO's acceptance of this EU endorsed below), Rentokil Initial Pty Ltd must do all those activities and things set out in Attachment "C" (Undertakings).

4. Commencement of enforceable undertaking

This EU comes into effect when:

- (a) the EU is executed by Rentokil Initial Pty Ltd; and
- (b) the FWO accepts the EU executed by Rentokil Initial Pty Ltd (as evidenced by the FWO's acceptance of this EU endorsed below).

5. Acknowledgements

Rentokil Initial Pty Ltd acknowledges that:

- (a) the Undertakings it has given in this EU are reasonable in the circumstances;
- (b) this EU is given to and accepted by the FWO pursuant to section 715 of the FW Act;
- (c) the FWO may:
 - (i) make this EU (and any of the Attachments) available for public inspection, including by posting it on the FWO internet site at www.fwo.gov.au (subject to

- the FWO taking any necessary steps to the redaction of the names of any person affected by the Contraventions);
- (ii) release a copy of this EU (and any of the Attachments to it) pursuant to any relevant request under the *Freedom of Information Act 1982 (Cth)*;
 - (iii) issue a media release in relation to this EU;
 - (iv) from time to time, publicly refer to the EU (and any of the Attachments to it) and its terms;
 - (v) rely upon the admissions made by Rentokil Initial Pty Ltd in paragraph 1 above in respect of any decision about enforcement action to be taken in respect of any future non-compliance by Rentokil Initial Pty Ltd with Commonwealth workplace relations obligations.
- (d) consistent with the Note to subsection 715(4) of the FW Act, this EU in no way derogates from the rights and remedies available to any other person arising from the conduct set out in this EU; and
- (e) If Rentokil Initial Pty Ltd contravenes any of the terms of this EU:
- (i) the FWO may apply to any of the Courts set out in subsection 715(6) of the FW Act, for orders under subsection 715(7) of the FW Act; and
 - (ii) this EU may be provided to the Court as evidence of the admissions made by Rentokil Initial Pty Ltd in paragraph 1, and also in respect of the question of costs; and
 - (iii) this EU is to be taken as having been withdrawn by Rentokil Initial Pty Ltd for the purposes of subsection 715(3) of the FW Act if the FWO gives its written consent (in which case the FWO may apply for orders against Rentokil Initial Pty Ltd and or related parties under Division 2 of Part 4-1 of the FW Act).

6. No inconsistent statements

Rentokil Initial Pty Ltd:

- (a) must not; and
- (b) must ensure that each of its officers, employees or agents, do not, make any statement, orally or in writing, or otherwise which conveys or implies or reasonably conveys or implies anything inconsistent with admission or acknowledgements contained in this EU.

7. Termination by the FWO

At any time, the FWO may, by notice in writing, terminate this EU (that is, immediately and without notice) if Rentokil Initial Pty Ltd commits, in the opinion of the FWO, a serious or persistent contravention or non-observance of a term or terms of this EU provided that such breach or non-observance is referred to in the notice.

8. Withdrawal from or variation to this EU

Consistent with subsection 715(3) of the FW Act, Rentokil Initial Pty Ltd may withdraw from or vary this EU at any time, but only with the consent of the FWO.

9. Continuing obligations

9.1 General survival

Any provision of this EU remaining to be performed or observed by Rentokil Initial Pty Ltd or having effect after the cessation of this EU for whatever reason (including termination by the FWO or withdrawal by Rentokil Initial Pty Ltd) remains in full force and effect and is binding on Rentokil Initial Pty Ltd after this EU ends.

9.2 Survival

Without limiting the generality of subclause 9.1 (General survival), the following clauses survive termination of this EU for whatever reason (including termination by the FWO or withdrawal by Rentokil Initial Pty Ltd):

- (a) Clause 1 (Admissions and contraventions); and
- (b) Clause 6 (No inconsistent statements).

10. Legally binding agreement

These terms are intended to have immediate effect on all parties upon acceptance by the FWO of this EU (as evidenced by the FWO's acceptance of this EU endorsed below).

11. Entire agreement

This Agreement constitutes the entire agreement of the parties about its subject matter and supersedes all previous agreements, understandings and negotiations on that subject matter. No oral explanation or information provided by either party to the other:

- (a) affects the meaning or interpretation of this EU; or
- (b) constitutes any collateral agreement, warranty or understanding between the FWO and Rentokil Initial Pty Ltd.

12. No representations or warranties

Rentokil Initial Pty Ltd acknowledges that in entering into this EU they have not relied on any representations or warranties about the subject matter of this EU except as provided in this EU.

13. Construction

No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of, or seeks to rely on, this EU or any part of it.

14. Costs

The parties must pay their own legal and other costs and expenses in connection with the preparation, execution and completion of this EU and other related documentation.

15. Severance

If the whole or any part of a provision of this EU is void, unenforceable or illegal in a jurisdiction it is severed for that jurisdiction. The remainder of the agreement has full force

and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This clause has no effect if the severance alters the basic nature of this EU or is contrary to public policy.

16. Competency

Rentokil Initial Pty Ltd acknowledge that:

- (a) before executing this EU, Rentokil Initial Pty Ltd was given the opportunity to seek independent legal and other advice of their choice;
- (b) in the light of any advice provided to Rentokil Initial Pty Ltd, they considered their position;
- (c) if Rentokil Initial Pty Ltd has been advised by their solicitors, they have been advised by them as to the terms of this EU; and
- (d) Rentokil Initial Pty Ltd fully understand the effect of this EU.

17. Governing law

This EU is governed by the law in force in the place specified in the Details. Each party submits to the non-exclusive jurisdiction of the courts of that place.

Signing page

Dated: 20th July 2012

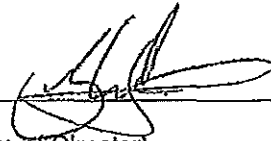
EXECUTED by RENTOKIL INITIAL PTY LTD in accordance with subsection 127(1) of the Corporations Act 2001 (Cth):



(Signature of Secretary/Director)

WILLIAM CHOW

(Name of Secretary/Director in Full)



(Signature of Director)

GREGORY KYM WORTHINGTON - EYRE

(Name of Director in Full)

MANAGING DIRECTOR PINK AND AMBIUS

ACCEPTED by the FAIR WORK OMBUDSMAN

Dated: 27 July 2012



NICHOLAS PAUL WILSON
FAIR WORK OMBUDSMAN

MARK SCULLY
ACTING FAIR WORK OMBUDSMAN

or by his Delegate subject to the instrument of delegation made pursuant to section 683 of the FW Act and executed by Nicholas Paul Wilson on

2012.

ATTACHMENT "A" (BACKGROUND)

1. Rentokil Initial Pty Ltd is one of the largest business services companies in the world, operating in over 50 countries throughout Europe, North America, Asia Pacific and Africa. Its large and diverse operations employ around 68,000 people and pay salaries of over \$2 billion a year. In total, it provides services to more than 500,000 customers ranging from the largest multi-national companies to local shops and restaurants.
2. Rentokil Initial Pty Ltd, across its divisions, provides the following services: washroom hygiene and cleaning services, mats and floor care services, clinical waste and smokers disposal units, pest eradication, office cleaning, indoor tropical plant care and office machinery maintenance.
3. Rentokil Initial Pty Ltd acquired:
 - a. Pink Healthcare Services, a non-legal entity division of SGS Australia Pty Ltd, in Queensland, South Australia, New South Wales, Western Australia, Victoria and the Australian Capital Territory on 30 June 2006;
 - b. CWS Australia Pty Ltd on 1 September 2006; and
 - c. CBS Washroom Services Pty Ltd on 1 January 2007, (collectively, the **Acquired Businesses**).
4. Rentokil Initial Pty Ltd is the sole employing entity within Australia with its head office located in Sydney for all persons employed in the Acquired Businesses. Due to the "Pink" brand recognition, all of the Acquired Businesses traded as Pink Hygiene Solutions within Australia after the abovementioned acquisitions by Rentokil Initial Pty Ltd.

Pre-Modern Award Period Contraventions

5. For the purpose of this EU, the term "Pre-Modern Award Period" means the period from 1 July 2007 to 31 December 2009.
6. The FWO received a complaint on 24 March 2010 from a former Rentokil Initial Pty Ltd service technician employed in South Australia (the Complainant). This related to the non-payment of overtime and incorrect application of relevant overtime provisions in the Transport Workers' (Refuse, Recycling and Waste Management) Award 2001 (**Federal Refuse Award**). Specifically, instead of applying time and a half for the first two hours and double time thereafter for all overtime worked by the Complainant, Rentokil Initial Pty Ltd paid time and a half for the first three hours and double time thereafter for all overtime worked by the Complainant.
7. Deficiencies relating to Rentokil Initial Pty Ltd's record keeping practices concerning overtime worked, including the approval of overtime allocations, prevented an accurate calculation of money owed to the Complainant. The matter subsequently settled by way of an agreement reached between Rentokil Initial Pty Ltd and the Complainant.
8. The FWO issued a contravention letter on 20 June 2011 requiring Rentokil Initial Pty Ltd to take immediate action to ensure that it had complied and was complying with its obligations under the Federal Refuse Award for all relevant existing and former employees for the period 1 July 2007 to 31 December 2009.

9. A self-audit by Rentokil Initial Pty Ltd has disclosed that during the Pre-Modern Award Period, Rentokil Initial Pty Ltd was not compliant with:
 - a. Its employee record keeping obligations nationally. In particular, its failure to keep the prescribed records in a condition which allows a workplace inspector to determine employee entitlements and whether those entitlements have been received;
 - b. subclause 35.2 of the Federal Refuse Award, specifically, the requirement to pay overtime at the rate of time and a half for all work done outside ordinary hours for the first two hours and double time thereafter, with such double time to continue until the completion of the overtime work.
 - c. subclause 10.1 of the *Transport Industry - Waste Collection and Recycling (State) Award* [AN120614], specifically, the requirement to pay overtime at the rate of time and one-half for the first two (2) hours and double time thereafter until the employee ceases duty or the ordinary starting time is reached, whichever first occurs.
 - d. subclause 3.2.1.2 of the *Transport Workers (General) Award No. 10 of 1961* [AN160324], specifically, the requirement to pay overtime at the rate of time and a half for the first two hours and double time thereafter in addition to the ordinary weekly wage.
10. Rentokil Initial Pty Ltd will adopt a beneficial approach to rectifying outstanding entitlements to ensure that employees and former employees are not financially disadvantaged. This includes rectification payments for overtime worked, which may not have been approved in advance by Rentokil Initial Pty Ltd.
11. Details of these contraventions arising during the Pre-Modern Award Period are set out in Attachment "B" (Contraventions). Rentokil Initial Pty Ltd's deficient record keeping practices during the Pre-Modern Award Period were partly attributable to its continuance of the human resources and payroll practices of the Acquired Businesses for a two year period after those acquisitions, before absorbing them into its national human resources and payroll structures. Senior management of Rentokil Initial Pty Ltd has taken proactive steps to rectify this situation, as described below.

Modern Award Period Contraventions

12. For the purpose of this EU, the term "Modern Award Period" means the period from 1 July 2010 to 25 December 2011.
13. In addition to the abovementioned self-audit and rectification process under the Federal Refuse Award, Rentokil Initial Pty Ltd undertook a self-audit of its obligations under the *Waste Management Award 2010 (the Modern Award)*. Rentokil Initial Pty Ltd put in place a process over several months to calculate and back pay all current employees for any underpayments in the base rate of pay from 1 July 2010 to 25 January 2012.
14. The underpayments in the relevant Modern Award period occurred due to inadvertent errors in properly identifying the base rates of pay under the Modern Award.

15. By contravening the Modern Award as specified in Attachment "B" (Contraventions) of this EU during the Modern Award Period, Affected Modern Award Employees of Rentokil Initial Pty Ltd were underpaid their entitlements.
16. The abovementioned self-audit measures also revealed that in the Modern Award Period, Rentokil Initial Pty Ltd was not compliant with its obligations in relation to employee records, specifically, the requirement to keep records that specifies the number of overtime hours worked by the employee during each day; or when the employee started and ceased working overtime hours.
17. Details of these contraventions are set out in Attachment "B" (Contraventions).

Contribution & Proactive Rectification Action

18. Rentokil Initial Pty Ltd has shown a high level of co-operation with the FWO in this compliance activity.
19. From January 2012 Rentokil Initial Pty Ltd sent letters to all current and former employees advising them of the rectification process being undertaken. Former employees were asked to contact Rentokil Initial Pty Ltd to provide current bank account details to allow rectification of their unpaid entitlements.
20. Rentokil Initial Pty Ltd has identified 396 current and former employees who have been underpaid (Affected Modern Award Employees) during the Modern Award Period by reason of the contraventions identified in Attachment "B" (Contraventions). The cumulative total underpayment has been calculated as \$354,494 for all Affected Modern Award Employees. The underpayments range from \$8 to \$5,200. A list of Affected Modern Award Employees with their respective rectification entitlements is set out in Attachment "D" (List of Affected Modern Award Employees).
21. As at the date of this EU, \$75,325 remains outstanding to 139 Affected Modern Award Employees who are no longer its employees and who are yet to provide relevant bank account details to Rentokil Initial Pty Ltd.
22. Rentokil Initial Pty Ltd has formally acknowledged in a letter to FWO that there was no intention to underpay its employees. It further committed to ensure all of its employees are classified and paid correctly in the future.
23. Rentokil Initial Pty Ltd admits the contraventions set out in Attachment "B" (Contraventions) of this EU.

ATTACHMENT "B" (CONTRAVENTIONS)

1. Between 1 July 2007 and 30 June 2009 Rentokil Initial Pty Ltd failed to comply with the following employee record keeping obligations nationally:
 - (a) make and keep the prescribed employee records in a condition which allows a workplace inspector to determine the employees entitlements and whether the employee is receiving those entitlements, and as such has contravened Regulation 19.5 of the *Workplace Relations Regulations 2006* (Condition of records); and
 - (b) records relating to an employee's rate of remuneration, hours worked and details of the nature of payments including loadings, and as such has contravened Regulation 19.11 of the *Workplace Relations Regulations 2006*.

2. Between 1 July 2009 and 31 December 2009 Rentokil Initial Pty Ltd failed to comply with the following employee record keeping obligations nationally:
 - (a) subsection 535(1) of the FW Act and Regulation 3.40 of the *Fair Work Regulations 2009*, which requires an employer to keep records that specifies the number of overtime hours worked by the employee during each day; or when the employee started and ceased working overtime hours.

3. Between 1 July 2007 to 31 December 2009 Rentokil Initial Pty Ltd failed to comply with:
 - (a) subclause 35.2 of the Federal Refuse Award, specifically, the requirement to pay overtime at the rate of time and a half for all work done outside ordinary hours for the first two hours and double time thereafter, with such double time to continue until the completion of the overtime work;
 - (b) subclause 10.1 of the *Transport Industry – Waste Collection and Recycling (State) Award* [AN120614], specifically the requirement to pay overtime at the rate of time and one-half for the first two (2) hours and double time thereafter until the employee ceases duty or the ordinary starting time is reached, whichever first occurs; and
 - (c) subclause 3.2.1.2 of the *Transport Workers (General) Award No. 10 of 1961* [AN160324], specifically, the requirement to pay overtime at the rate of time and a half for the first two hours and double time thereafter in addition to the ordinary weekly wage.

4. Between 1 July 2010 and 25 December 2011 Rentokil Initial Pty Ltd failed to pay Affected Modern Award Employees correct rates of pay and as such has contravened Section 45 of the FW Act by contravening a provision of a modern award, specifically:
 - (a) subclause 19.1 of the *Waste Management Award 2010* (as varied by Schedule A – Transitional Provisions) by failing to pay the minimum weekly wage in accordance with the applicable Level 2 and Level 3 Classification; and
 - (b) clause 14 of the *Waste Management Award 2010* (as varied by Schedule A – Transitional Provisions) by failing to pay casual rates of pay in accordance with the applicable Level 2 and Level 3 Classification.

ATTACHMENT "C" (UNDERTAKINGS)

Rentokil Initial Pty Ltd undertakes to:

Future workplace relations compliance

1. Ensure that it complies at all times and in all respects with Commonwealth workplace laws which apply to it by developing systems and processes to ensure ongoing compliance with those requirements.
2. Provide to the FWO, within 28 days of the date of this EU, details of the implementation of systems and processes designed to ensure ongoing compliance with Commonwealth workplace laws.

Rectify underpayments – Pre-Modern Award Period contraventions

3. Ensure that the on-going self-audit to establish the nature and extent of underpayments affecting employees during the pre-modern award period who were employed pursuant to the Federal Refuse Award, the *Transport Industry - Waste Collection and Recycling (State) Award [AN120614]* and the *Transport Workers (General) Award No. 10 of 1961 [AN160324]* (Affected Pre-Modern Award Employees) is finalised within 3 calendar months of the date of this EU.
4. Ensure that all calculations forming the basis of the rectification of outstanding amounts owed to Affected Pre-Modern Award Employees are audited by an accounting professional no later than 28 days after the completion of the abovementioned self-audit.
5. Pay all outstanding amounts owed in underpayments to the Affected Pre-Modern Award Employees in respect of the Pre-Modern Award Period no later than 28 days after the completion of the abovementioned audit by an accounting professional.
6. In the event that the Affected Pre-Modern Award Employees cannot be located within the timeframe specified in the preceding paragraph, pay any outstanding amounts owed in underpayments to the Affected Pre-Modern Award Employees in respect of the Pre-Modern Award Period to the Collector of Public Monies to be held on trust for the relevant Affected Pre-Modern Award Employees pursuant to section 559 of the FW Act.
7. Provide proof of such payments to the FWO no later than 7 days after all the payments are made.

Rectify underpayments – Modern Award Period contraventions

8. Ensure that all calculations forming the basis of the rectification of outstanding amounts owed to Affected Modern Award Employees (as defined in Attachment "B" (Contraventions)) are audited by an accounting professional no later than 28 days after executing this EU.
9. Pay all outstanding amounts owed in underpayments to the Affected Modern Award Employees in respect of the Modern Award Period no later than 28 days after executing this EU.
10. In the event that the Affected Modern Award Employees cannot be located within 28 days after executing this EU, pay any outstanding amounts owed in underpayments to the Affected Modern Award Employees in respect of the Modern Award Period to the Collector of Public Monies to be held on trust for the relevant Affected Modern Award Employees pursuant to section 559 of the FW Act.
11. Provide proof of such payments to the FWO no later than 7 days after all the payments are made.

Apologies

12. Send a letter to all Affected Modern Award Employees within 28 days of execution of this EU, advising them of the EU in the form of Attachment "E" to this EU, signed by the Managing Director and Chief Financial Officer of Rentokil Initial Pty Ltd (the letter).
13. Send a letter to all Affected Pre-Modern Award Employees within 28 days of the completion of the audit referred to in paragraph 4 of this Attachment.
14. Provide proof of such letters to the FWO no later than 7 days after all the letters are sent.

Workplace notice

15. Issue a notice to all current employees of Rentokil Initial Pty Ltd within Australia, within 28 days of executing this EU, in the form of Attachment "F" to this EU signed by the Managing Director and Chief Financial Officer of Rentokil Initial Pty Ltd (the notice).
16. Ensure the notice is printed in at least A3 size and clearly displayed at each business premises of Rentokil Initial Pty Ltd for a period of at least 30 days:
 - (a) in a prominent location to which all staff at each business location have access; and
 - (b) in a manner which is reasonably capable of drawing the notice to the general attention of all staff (for example, by placement on a staff noticeboard).
17. Provide proof of such notice to the FWO no later than 7 days after the required display of the notice.

Payment to not for profit organisation

18. Pay an amount of \$40,000 to the Working Women's Centre SA Inc to assist with the promotion of compliance with Commonwealth workplace relations laws, within 28 days of the execution of this EU.
19. Provide proof of such payment to the FWO no later than 7 days after the payment is made.

Public notice

20. Cause to be placed in a Saturday edition of 'The Australian' newspaper within 28 days of executing this document (or so soon afterwards as is available), a notice which:
 - (a) bears the company name of Rentokil Initial Pty Ltd;
 - (b) bears the company logo (if any) of Rentokil Initial Pty Ltd and Pink Hygiene Solutions;
 - (c) appears on either of pages 3, 5 or 7 of the relevant edition;
 - (d) measures at least 15cms high x 7.4cms wide; and
 - (e) is in the form of Attachment "F" to this EU.
21. Provide proof of such public notice to the FWO no later than 7 days after the publication of the notice is made.

Preparation of workplace relations compliance manual

22. Commission the preparation, by a suitably qualified legal practitioner with expertise in workplace relations law (not being anyone who has advised Rentokil Initial Pty Ltd in relation to the subject matter of the Contraventions), of a workplace relations compliance manual for distribution to each of its managers and 'Pink' on-road and depot employees.

23. Within 2 calendar months of the signing of this EU, organise and ensure all relevant managers attend a training course (the training course) which provides an overview of the rights and responsibilities of employers under the FW Act. The training course must be conducted by an accredited workplace trainer (not being anyone who has advised Rentokil Initial Pty Ltd in relation to the subject matter of the Contraventions) who is approved in advance by the FWO and paid for by Rentokil Initial Pty Ltd.
24. Provide the training materials used in the training course to the FWO no later than 14 days before the training is to be conducted and the training materials must be approved by the FWO.
25. Provide evidence of attendance at the training course and payment of the training course to FWO within 7 days of the training being provided.

Future workplace relations compliance audit activity

26. Cause to have performed by an accounting professional (e.g. Certified Practising Accountant) or audit specialist (at its own expense), for the next 3 years after the date of this EU, an audit of its compliance with Commonwealth workplace laws, in particular compliance relating to pay and conditions of employees. The first audit is to be conducted within 2 calendar months of the execution of this EU. The remaining audits are to be completed by 31 August 2013 and 31 August 2014.
27. Provide to the FWO evidence of each audit and its results within 7 days of the audit being finalised.

ATTACHMENT "D" (LIST OF AFFECTED MODERN AWARD EMPLOYEES)

(Refer to separate spread-sheet)

ATTACHMENT "E" ("LETTER TO AFFECTED EMPLOYEES")

Rentokil Initial Pty Ltd letterhead

Third party details

Insert address

To whom it may concern,

I am writing to let you know about a recent investigation by the Office of the Fair Work Ombudsman (the FWO).

The FWO's investigation prompted Rentokil Initial Pty Ltd's subsequent self-audit which looked at the underpayments of a significant number of former and current employees which occurred during the periods:

- (a) 1 July 2007 to 30 June 2010 in relation to the *(insert relevant award)*; and
- (b) 1 July 2010 to 25 December 2011 in relation to the *Waste Management Award 2010 (Modern Award)*.

Rentokil Initial Pty Ltd has formally admitted to the FWO in an Enforceable Undertaking that it has underpaid a large number of former and current employees. The underpayments occurred due to inadvertent errors in not applying the proper overtime provisions under the *(insert relevant award)* and properly identifying the base rates of pay under the Modern Award. Rentokil Initial Pty Ltd has also admitted that it failed to make and retain adequate employment records during the period 1 July 2007 and 31 December 2009, which has hindered its ability to quantify underpayments arising in that period. Senior management of Rentokil Initial Pty Ltd has taken steps to rectify these practices, including by making arrangements for the payment of outstanding entitlements to affected employees and to ensure compliance with Commonwealth workplace laws in the future.

You can obtain a copy of the Enforceable Undertaking from the FWO website (www.fairwork.gov.au) or by making a request to Tammy Iselt, Employee Relations Manager, Rentokil Initial Pty Ltd.

In the Enforceable Undertaking, Rentokil Initial Pty Ltd has formally acknowledged to the FWO that there was no intention to underpay its employees and has given an undertaking to repay all underpayments and to take other proactive steps to ensure compliance with Commonwealth workplace laws in the future. You may have already received your rectification payment. If you believe you are entitled to a rectification payment, but have not yet received any payment of this kind, please contact Tammy Iselt.

Rentokil Initial Pty Ltd expresses its sincere regret and apologises to you for failing to comply with its lawful obligations. Furthermore, Rentokil Initial Pty Ltd gives its commitment that all of its employees will be classified and paid correctly in the future.

If you have any questions or concerns, please contact Tammy Iselt on (02) 8719 6212 or by email at tammy.iselt@rentokil-initial.com

Signed

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ATTACHMENT "F"

The Office of the Fair Work Ombudsman (the FWO) recently investigated allegations that Rentokil Initial Pty Ltd contravened Commonwealth workplace laws during the period 1 July 2007 to 25 December 2011.

Rentokil Initial Pty Ltd has formally admitted to the FWO in an Enforceable Undertaking that it has underpaid a large number of former and current employees.

The underpayments occurred due to inadvertent errors in not applying the proper overtime provisions under the *Transport Workers' (Refuse, Recycling and Waste Management) Award 2001*, the *Transport Industry - Waste Collection and Recycling (State) Award [AN120614]* and the *Transport Workers (General) Award No. 10 of 1961 [AN160324]* between 1 July 2007 and 30 June 2010 and not properly identifying the base rates of pay under the *Waste Management Award 2010* from 1 July 2010. Rentokil Initial Pty Ltd has also admitted that it failed to make and retain adequate employment records during the period during the period 1 July 2007 and 31 December 2009, which has hindered its ability to quantify underpayments arising in that period.

Senior management of Rentokil Initial Pty Ltd has taken proactive steps to rectify these practices, including making arrangements for the payment of outstanding entitlements and to ensure compliance with Commonwealth workplace laws in the future.

An Enforceable Undertaking has been given by Rentokil Initial Pty Ltd to the FWO to reflect these formal admissions (available at www.fwo.gov.au).

Rentokil Initial Pty Ltd expresses its sincere regret and apologises for any inconvenience this action has caused. Furthermore, Rentokil Initial Pty Ltd gives its commitment that such conduct will not occur again and that it will comply with Commonwealth workplace relations laws in the future.