

Positive partnership for poultry workers

21 December 2018

The Fair Work Ombudsman has reported on the outcomes of its compliance partnership with Baiada Group, confirming significant progress has been made by the poultry processor to ensure its supply chain is compliant with workplace laws.

In 2015, Baiada signed a proactive compliance deed after a [FWO Inquiry \(http://www.fairwork.gov.au/about-us/news-and-media-releases/archived-media-releases/2015-media-releases/june-2015/20150618-baiada-group-statement-of-findings\)](http://www.fairwork.gov.au/about-us/news-and-media-releases/archived-media-releases/2015-media-releases/june-2015/20150618-baiada-group-statement-of-findings) found vulnerable workers were underpaid in its labour supply chains. As well as uncovering significant underpayments, the Inquiry found that workers at Baiada sites were subject to extremely long hours of work, unsafe accommodation and discrimination.

Under the partnership, Baiada implemented measures aimed at improving workplace compliance amongst its contractors, including introducing an electronic timekeeping system, enhanced payroll system and dedicated hotline for workers to lodge complaints.

Baiada commissioned annual third party specialist audits of all contractors supplying workers to its processing sites and found significant improvements in workplace compliance. The company also provided workplace relations training for managers, workers and contracting staff.

The first annual audit recovered underpayments ranging from \$8 to \$1,615 for three workers, while two subsequent audits found no underpayments.

Two hundred contract workers were back-paid a total of \$115,688 after Baiada's internal audit and review processes identified underpayments primarily relating to unpaid rest break entitlements and misclassification of a contract worker. A further \$4,000 was secured for two former contract workers relating to underpayments that occurred before the compliance partnership commenced.

Combined with the \$220,000 in back-payments reported in the FWO's [interim report \(https://www.fairwork.gov.au/about-us/news-and-media-releases/2016-media-releases/november-2016/20161128-baiada-media-release\)](https://www.fairwork.gov.au/about-us/news-and-media-releases/2016-media-releases/november-2016/20161128-baiada-media-release), over the course of the compliance partnership more than \$340,000 has been back-paid to 296 workers.

Fair Work Ombudsman Sandra Parker said that this demonstrates the necessity of head companies taking responsibility for what goes on in their supply chains. "Community expectations about this are clear – contractors should be held to account to ensure they pay their workers properly," Ms Parker said.

"Throughout this partnership, the FWO has been pleased to see that Baiada has taken responsibility for rectifying underpayments to contractor workers, despite not being their direct employer. Good lead businesses take accountability for all workers servicing their business and step up to ensure they are being treated lawfully."

The FWO has not received any requests for assistance from Baiada contract workers since the release of its interim report but will continue to monitor compliance at Baiada sites.

"This partnership has shown the positive impact of robust monitoring and governance arrangements in labour supply chains. Baiada's improvements have benefited all of its workers and reduced the risk of future workplace breaches occurring across the network," Ms Parker said.

Baiada employs more than 4,000 staff across its operations. It produces the Steggles and Lilydale free range chicken brands and generated more than \$1.5 billion in revenue last financial year.

Resources to help businesses monitor and manage their contract relationships are available at www.fairwork.gov.au/supplychain (<http://www.fairwork.gov.au/supplychain>). Employers and employees can visit www.fairwork.gov.au or call the Fair Work Infoline on 13 13 94 for free advice and assistance about their rights and obligations in the workplace. A free interpreter service is available on 13 14 50.

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Download the [Baiada Group Proactive Compliance Partnership Final Report \(DOCX 775.7KB\)](https://www.fairwork.gov.au/ArticleDocuments/544/baiada-group-pcd-final-report.docx.aspx) (<https://www.fairwork.gov.au/ArticleDocuments/544/baiada-group-pcd-final-report.docx.aspx>) (PDF 890.3KB) (<https://www.fairwork.gov.au/ArticleDocuments/544/baiada-group-pcd-final-report.pdf.aspx>)

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