

\$20,000 back-pay for poultry processors

19 August 2014

A labour-hire contractor which short-changed 10 overseas workers has agreed to back-pay its former employees more than \$20,000 following an investigation by the Fair Work Ombudsman.

The workers, aged between 21 and 30, were from Hong Kong and Taiwan in Australia on 417 working holiday visas when they were engaged by the contractor to work at a NSW poultry processing plant.

Complaints from the employees that they were being paid as little as \$11.50 an hour and sometimes required to work up to 20-hour shifts were assessed by the Fair Work Ombudsman's specialist Overseas Worker's Team (OWT).

They employees told OWT inspectors that:

- Female workers were paid \$11.50 an hour to wrap, label and pack trays of meat, while males received \$12.50 an hour.
- Those staff using the mincer were paid \$13.50 an hour.
- Payments were made in cash, with neither tax nor superannuation deducted.
- Workers were advised by text message of their shifts for the following day.
- Shifts varied from 8 to 16 hours, but sometimes lasted up to 20 hours.

Fair Work inspectors were also told that workers were directed by their supervisor to live in crowded share houses with up to 30 employees, with sometimes two or more people sharing a single mattress.

Employees claimed that \$100 a week was deducted from their wages to cover the accommodation, and they were told they would not receive work if they chose to live elsewhere.

The Fair Work Ombudsman found that the 10 employees had been underpaid a total of \$20,250 between May and October, 2013. The amounts for individual workers ranged from \$500 to \$4300.

Inspectors found they should have been paid between \$16.50 and \$39 an hour, depending on the day, time and the number of hours worked in the shift.

An agreement was reached with the labour-hire contractor to reimburse all outstanding entitlements.

Concerns about other practices raised by the employees which were outside the jurisdiction of the Fair Work Ombudsman have been raised with relevant authorities.

The Fair Work Ombudsman is also concerned about sub-contracting arrangements it identified during the course of its investigations which it believes contributed to poor record-keeping practices and underpayment of minimum entitlements.

For example, it found connections between companies in the contracting line beneath the principal sub-contractor whereby they shared the same accountant, interchanged directors, listed individuals as signatories on bank accounts and transferred supervisors from one company to another as labour hire contracts were signed.

Fair Work Ombudsman Natalie James says these observations now form part of a broader review of labour supply chain practices in the meat industry to identify the drivers of non-compliance with workplace laws.

"Our inquiry is conducting an analysis of how contracting supply arrangements are made and whether there has been a growth of contracting supply chains within this industry, and if so, why?" she said.

"This includes a study of the economic drivers behind the supply chain practices and the engagement of overseas workers in the meat industry.

"This analysis will include identifying impacts these practices have on local employment and social trends (eg housing) in geographical locations in which the meat industry is located."

Ms James says the Fair Work Ombudsman review will also include other areas of impact on the broader Australian economy, such as the 'cash economy'.

The OWT is working with unions, other Commonwealth departments and relevant stakeholders.

A report detailing its findings, enforcement activities and broader recommendations will be made public at the conclusion of the review.

Information to assist both employers and employees from non-English speaking backgrounds has been translated into 27 languages on the Fair Work Ombudsman website.

Overseas workers, or employers, seeking advice can also call 13 14 50 if they need an interpreter.

The Fair Work Ombudsman has fact sheets tailored to overseas workers and international students on its website.

The Agency has also produced videos in 14 different languages and posted them on YouTube.

The Fair Work Ombudsman is also pro-active in industries known to employ significant numbers of overseas workers – including hospitality, horticulture, cleaning and trolley collecting.

“Currently, we are running a comprehensive three-year program we have called the Harvest Trail, to ensure seasonal workers in the horticulture sector receive their lawful minimum entitlements,” Ms James said.

The Fair Work Ombudsman has also announced it will conduct a review of the wages and conditions of overseas workers in Australia on the 417 Working Holiday Visa.

The 417 is a temporary visa issued by the Department of Immigration & Border Protection (DIPB) to young people who want to holiday and work in Australia for up to two years.

Employers or employees seeking assistance can contact the Fair Work Infoline on 13 13 94 or visit www.fairwork.gov.au.

Follow Fair Work Ombudsman Natalie James on Twitter [@NatJamesFWO](https://twitter.com/NatJamesFWO) (<http://twitter.com/NatJamesFWO>), the Fair Work Ombudsman [@fairwork_gov_au](https://twitter.com/fairwork_gov_au) (http://twitter.com/fairwork_gov_au) or find us on Facebook www.facebook.com/fairwork.gov.au (<http://www.facebook.com/fairwork.gov.au>).

Find out more:

- [Fair Work Ombudsman to review entitlements of overseas visa-holders on working holidays \(www.fairwork.gov.au/about-us/news-and-media-releases/archived-media-releases/2014-media-releases/august-2014/20140804-working-holiday-entitlements-review\)](http://www.fairwork.gov.au/about-us/news-and-media-releases/archived-media-releases/2014-media-releases/august-2014/20140804-working-holiday-entitlements-review)

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Contact us

Fair Work Online: www.fairwork.gov.au

Fair Work Infoline: 13 13 94

Need language help?

Contact the Translating and Interpreting Service (TIS) on 13 14 50

Hearing & speech assistance

Call through the National Relay Service (NRS):

For TTY: 13 36 77. Ask for the Fair Work Infoline 13 13 94

Speak & Listen: 1300 555 727. Ask for the Fair Work Infoline 13 13 94

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