

Adelaide cleaners underpaid \$14,000

23 June 2014

A company which cleans a major shopping complex in Adelaide's eastern suburbs underpaid eight of its employees more than \$14,000 over nine months, the Fair Work Ombudsman has found.

NewKlean Management Services Pty Ltd, of Main North Road, Prospect, paid its cleaners a flat hourly rate for all hours worked which did not meet the minimum provisions of the Cleaning Services Award 2010.

The eight underpaid employees swept and mopped floors, cleaned toilets, collected rubbish, dusted hard surfaces, wiped and swept under and around seats and table tops at the Burnside Shopping Centre for various periods between July, 2012 and March, 2013.

The flat hourly rate of \$17 to \$20 they received was below the minimum hourly rate and did not include penalty rates for weekends and public holidays, casual loadings, overtime or broken shift allowances.

The Fair Work Ombudsman says that under the Cleaning Services Award 2010, the employees should have been paid between \$19.16 and \$34.10 an hour, subject to their shift.

The underpayments ranged from \$50 to \$4729, with other individuals owed amounts totalling \$2578, \$2098 and \$1776.

As part of an Enforceable Undertaking signed by the company's sole director Chau Huynh, NewKlean will apologise to each of the affected former staff and reimburse them all outstanding entitlements.

Ms Huynh has also agreed to undertake specialist workplace relations training and engage independent auditors to review and report on her company's compliance with workplace laws once a year for the next three years.

The Fair Work Ombudsman also recently announced that:

- Melbourne cleaning company Jorgensen Property Services Pty Ltd had signed an Enforceable Undertaking after it was found to have underpaid 16 cleaners more than \$50,000, and
- Sydney-based Fleet Cleaning Pty Ltd had signed an Enforceable Undertaking after an audit last year revealed that 53 former and current employees had been underpaid more than \$40,000.

Enforceable Undertakings were introduced by legislation in 2009 and the Fair Work Ombudsman has been using them to achieve strong outcomes against companies that breach workplace laws without civil court proceedings.

"We use Enforceable Undertakings where we have formed a view that a breach of the law has occurred, but where the employer has acknowledged this and accepted responsibility and agreed to co-operate with us and fix the problem," Fair Work Ombudsman Natalie James said in Adelaide today.

"Many of the initiatives included in EUs help to build a greater understanding of workplace responsibilities, motivate the company to do the right thing and help them avoid the same mistakes again.

"It also means we can resolve matters more speedily than if we proceed down a path towards litigation, often achieving outcomes, such as training sessions for senior managers, which are not possible through the Courts."

Copies of all Enforceable Undertakings are available on the Fair Work Ombudsman website at www.fairwork.gov.au

Ms James says the cleaning industry employs large numbers of young people and migrant workers who can be vulnerable if they are not fully aware of their workplace rights, so it is important for her Agency to be pro-active in ensuring employees receive their minimum lawful entitlements.

In July last year, Fair Work inspectors began auditing up to 1000 cleaning contractors throughout Australia, checking mainly minimum hourly rates and penalty rates.

The pro-active education campaign followed auditing of 376 cleaning businesses in 2010 which found that 149 (40 per cent) were non-compliant with workplace laws. The 2010 campaign recouped almost \$500,000 for 934 cleaners found to have been underpaid.

Last year's follow-up began with correspondence to tens of thousands of businesses to highlight the free resources available from the Fair Work Ombudsman to assist cleaning contractors understand and comply with their obligations.

The final results of the campaign will be publicly released in the near future.

Employers and employees seeking assistance should visit the website or call the Fair Work Infoline on 13 13 94. An interpreter service is available on 13 14 50.

Ms James says the Fair Work Ombudsman is making compliance easier for businesses by continually building on the information available on its website.

“Small businesses often don’t have the benefit of in-house human resources and payroll staff, so we place a high priority on assisting them,” she said.

“Equipping people with the information they need helps to create fair and productive workplaces, as well as ensuring a level playing field for all.”

The Fair Work Ombudsman has a dedicated webpage for small business owners at www.fairwork.gov.au/smallbusiness (www.fairwork.gov.au/find-help-for/small-business/default)

Copy of undertaking:

- [NewKlean Enforceable Undertaking \(PDF 3.7MB\)](http://www.fairwork.gov.au/ArticleDocuments/722/newklean-redacted-eu.PDF.aspx) (www.fairwork.gov.au/ArticleDocuments/722/newklean-redacted-eu.PDF.aspx)

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Fair Work Online: www.fairwork.gov.au

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

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