

## Employers urged to check wage rates after 53 Darwin cleaners underpaid \$84,000

17 February 2015

Dozens of cleaners in Darwin have been underpaid tens of thousands of dollars, spot checks by the Fair Work Ombudsman have found.

Fifty-three cleaners – including young workers and overseas workers – were found to have been short-changed almost \$84,000.

Fair Work Ombudsman Natalie James says the result shows the need for local cleaning contractors to pay greater attention to wage rates.

Fair Work inspectors randomly checked 14 Darwin cleaning businesses last year.

Auditing has concluded, and the findings are released today.

One employer underpaid six workers a total of \$38,200 - an average of more than \$6300 each - as a result of paying a flat hourly rate of \$19.

The flat rate resulted in underpayment of casual loadings and penalty rates for weekend, shift and overtime work.

Inspectors found many businesses were failing to comply with their record-keeping and pay-slip obligations and were not providing a copy of the Fair Work Information Statement to new employees.

Only one business was fully compliant with Commonwealth workplace laws.

Ms James says that while it was disappointing to find a number of underpayments, it was pleasing that all employers rectified non-compliance issues and accepted assistance to remedy their mistakes.

Some employers raised concerns that paying the correct wages made their businesses uncompetitive, particularly when competing for new contracts.

“We assured those businesses that audits like this not only protect employees – but also help to ensure that businesses doing the right thing can compete on a level playing field,” Ms James said.

“The cleaning industry is very competitive and the responsibility for ensuring workers are being paid correctly is not the cleaning contractors’ alone.

“It is not acceptable for organisations to outsource work to the lowest-cost cleaning contractor without considering whether the low price paid is likely to result in workers ultimately being underpaid.

“Such behaviour is not only unethical, but it may be unlawful. It can also potentially expose managers and their company to financial penalties.”

Section 550 of the Fair Work Act provides for accessorial liability, a mechanism through which someone other than the employer who is involved in a contravention of workplace laws may be held accountable.

In a keynote address late last year titled “Risk, Reputation and Responsibility”, Ms James flagged that the Agency would increasingly use Section 550 of the Fair Work Act to go up and down the supply chain to scrutinise sub-contracting arrangements.

She warned that companies found to be profiting from underpaying workers faced a “very real risk to reputation and impact on their bottom line”.

Ms James says all parties should undertake due diligence when outsourcing work, particularly to lowest-cost providers, to ensure lower costs are attributable to efficiencies in the business and not the potential exploitation of workers on below-award rates.

The Fair Work Ombudsman will shortly release the results of a national campaign on the cleaning industry.

The cleaning industry was selected for attention because it continues to be a persistent source of requests for assistance from employees.

It also tends to employ a significant number of overseas workers, unskilled workers and temporary employees, many of whom can

be vulnerable if they are not fully aware of their workplace rights, or reluctant to complain.

In a national campaign in 2010, the Fair Work Ombudsman found that 149 of 376 cleaning businesses (40 per cent) breached workplace laws and recovered almost \$500,000 for more than 900 workers nationally.

Online tools available at [www.fairwork.gov.au](http://www.fairwork.gov.au) include PayCheck Plus to determine the correct award and minimum wages for employees, templates for pay slips and time-and-wages records and a range of fact sheets on workplace entitlements.

Fair Work inspectors will re-visit the Darwin employers found to be non-compliant within six months to ensure they are meeting their workplace obligations on an ongoing basis.

Employers and employees seeking advice can visit the website [www.fairwork.gov.au](http://www.fairwork.gov.au) or call the Fair Work Infoline on 13 13 94.

A free interpreter services is also available on 13 10 50.

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](http://twitter.com/fairwork_gov_au)) or find us on Facebook [www.facebook.com/fairwork.gov.au](http://www.facebook.com/fairwork.gov.au) (<http://www.facebook.com/fairwork.gov.au>).

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**Page reference No: 5206**

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