

## **Cleaning contractors face more spot checks after \$763,000 recovered for 1200 employees**

12 March 2015

Cleaning contractors face ongoing spot checks by the Fair Work Ombudsman again this year as it endeavours to detect and deter deliberate non-compliance with federal workplace laws.

The Fair Work Ombudsman is also working with a forum of key stakeholders to ensure compliance and best practice after finding the industry is characterised by layers of subcontracting, tight margins and a competitive tendering process.

Latest data indicates there are almost 25,000 businesses operating in the cleaning services industry in Australia employing almost 100,000 workers.

Sixty four per cent of cleaners are over 40, 55 per cent are female, 47 per cent were born overseas and 10 per cent are students.

As part of a recent national campaign, the Fair Work Ombudsman assessed tendering and procurement activities for cleaning services across eight major shopping centres in NSW, SA, Queensland and Victoria.

It found that six of seven principal contractors engaged to provide cleaning services across the eight centres were paying their employees correctly.

In a report released today, the Fair Work Ombudsman says the result is encouraging and it is pleasing to find most property owners playing an active role in ensuring compliance with workplace laws.

“This behaviour ensures vulnerable employees are receiving the correct entitlements and creating genuine competition for contracts, leading to a level playing field in the industry,” the report says.

However, the Agency has flagged that those employers who failed to meet their workplace obligations in a 2010 and again in a follow-up campaign will face further auditing this year.

Fair Work inspectors checked the books of 578 cleaning contractors as a follow-up to a 2010 campaign which recouped almost \$500,000 for 900 cleaners.

The latest results, released today, reveal a total of 1212 employees – including young workers, overseas workers and students – were found to have been short-changed almost \$763,000.

Fair Work Ombudsman Natalie James says the findings indicate a need for many cleaning contractors to pay greater attention to wage rates.

Ms James says it was disappointing to find ongoing underpayment in the cleaning industry, but pleasing that all employers rectified non-compliance issues and accepted assistance to remedy their mistakes.

Sixty two per cent, or 356 of the 578 cleaning businesses scrutinised, were found to be fully compliant with their workplace obligations.

The remaining employers were found to be either underpaying staff, had record-keeping or payslip contraventions or both.

Three businesses entered into Enforceable Undertakings as an alternative to litigation.

Eight others received a Letter of Caution.

The follow-up campaign included 169 businesses previously audited in 2010.

Of these businesses, the compliance rate increased from 54 per cent to 63 per cent.

However, Ms James said it was concerning that 20 per cent of cleaning contractors audited in both campaigns remained non-compliant.

And that 16 per cent who were compliant in 2010 were now non-compliant.

Ms James says the follow-up campaign identified a total of 354 contraventions of federal workplace laws by 222 businesses.

Most of the contraventions (31 per cent) related to underpayment of the minimum hourly rate.

Other monetary breaches included underpayment or non-payment of penalty rates, overtime, casual loading and allowances and failure to pay wages for time worked.

A total of 141 businesses were required to back-pay staff amounts ranging from as little as \$30 up to \$50,000.

The largest underpayments were recorded in Victoria, where 36 businesses were required to reimburse 268 cleaners a total of \$246,206.

Other results are:

NSW – 40 employers back-paid 294 employees \$215,278,

Queensland – 32 employers back-paid 163 employees \$111,206,

WA – 14 employers back-paid 169 employees \$81,707,

SA – 14 employers back-paid 288 employees \$68,418,

NT – two employers back-paid 22 employees \$34,624,

Tasmania – one employer back-paid five employees \$2668, and

ACT – two employers back-paid three employees \$2659.

The Fair Work Ombudsman supports compliant, productive and inclusive Australian workplaces by providing practical advice that is easy to access, understand and apply.

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.

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- [National Cleaning Services Follow Up Campaign Report \(DOCX 223.9KB\) \(www.fairwork.gov.au/ArticleDocuments/714/national-cleaning-services-follow-up-campaign-report.docx.aspx\)](http://www.fairwork.gov.au/ArticleDocuments/714/national-cleaning-services-follow-up-campaign-report.docx.aspx) (PDF 291.2KB) ([www.fairwork.gov.au/ArticleDocuments/714/national-cleaning-services-follow-up-campaign-report.pdf.aspx](http://www.fairwork.gov.au/ArticleDocuments/714/national-cleaning-services-follow-up-campaign-report.pdf.aspx))

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