

Cleaners underpaid almost \$12,000 in just 6 weeks

18 November 2015

Four cleaners at several Myer sites in Melbourne will have larger pay packets in future after the Fair Work Ombudsman found they had been collectively short-changed almost \$12,000 in just six weeks.

The underpayment was discovered after Fair Work inspectors made unannounced site visits to Myer's Melbourne City and Doncaster stores last December.

Inspectors were checking whether companies contracted by Myer to provide cleaning services were meeting their obligations under the Fair Work Act and the Cleaning Services Award.

Myer had a services agreement with Pioneer Cleaning Australia, which in turn sub-contracted to MQ Property Group, trading as Mina Property Services Pty Ltd.

MQ Property Group engaged the four migrant cleaners as independent contractors and paid them a flat rate of \$20 an hour for all hours worked.

However, the Fair Work Ombudsman determined they had been misclassified, and should have been engaged as employees and paid according to the terms and conditions of the Cleaning Services Award.

The cleaners were underpaid their minimum hourly rate, four hourly minimum engagement rates, penalty rates for early and late shifts, overtime rates and penalties for weekend and public holidays.

They should have received at least \$22.51 an hour for ordinary hours worked. Collectively, they were underpaid almost \$12,000 between July 1 and August 15 last year.

As a result of the contraventions, MQ Property Group director Qenan Luzi has entered into an Enforceable Undertaking (EU) with the Fair Work Ombudsman to ensure behavioural change and future compliance with workplace laws.

The EU requires that they:

- Reimburse a total of \$11,875 to the four workers,
- Engage all misclassified cleaners as employees and pay them appropriately,
- Engage an external accounting professional to audit the businesses workplace practices for the 2015-2016 financial year,
- Send a written apology to each of the affected workers,
- Ensure all current employees are given a copy of the Fair Work Information Statement and provided with written terms of engagement,
- Register with the Fair Work Ombudsman's online tool My Account,
- Implement systems and processes to ensure future compliance with workplace laws,
- Make a donation of \$500 to the Cleaning Accountability Framework to promote compliance with workplace laws, and
- Implement a training program for the director and managers to educate them about the rights and responsibilities of employers.

MQ Property Group is the second cleaning sub-contractor working at Myer sites that the Fair Work Ombudsman has found to be misclassifying its workers and underpaying them.

On July 30, the Agency announced that Preston-based A&K Saana Services had short-changed nine of its cleaners \$6300 in less than a month and had been asked to sign an Enforceable Undertaking (EU) to encourage behavioural change.

- Read the media release: [Cleaners to see more in pay packets \(www.fairwork.gov.au/about-us/news-and-media-releases/archived-media-releases/2015-media-releases/july-2015/20150730-ak-saana-eu-presser\)](http://www.fairwork.gov.au/about-us/news-and-media-releases/archived-media-releases/2015-media-releases/july-2015/20150730-ak-saana-eu-presser)

A&K Services was also contracted by Pioneer Cleaning Australia Pty Ltd, and the Fair Work Ombudsman is currently assessing the involvement of the company in both sets of contraventions.

While Myer has cancelled its contract with Pioneer, senior Fair Work Ombudsman officials have met with the retail giant to discuss the importance of the company ensuring its supply chain is compliant.

Over the past 12 months, the Fair Work Ombudsman has been working closely with key stakeholders in the cleaning industry to ensure

compliance and best practice after finding the industry is characterised by layers of subcontracting, tight margins and a competitive tendering process

"Cleaning contractors will continue to face ongoing spot checks by the Fair Work Ombudsman, as we endeavour to detect and deter deliberate non-compliance with federal workplace law," says Fair Work Ombudsman Natalie James.

In 2010, a national cleaning campaign undertaken by the Agency recouped \$500,000 for 900 cleaners throughout Australia who were found to have been underpaid.

The results of a follow-up campaign released in March this year revealed another 1200 cleaners were found to have been short-changed almost \$763,000.

- Read the media release: [Cleaning contractors face more spot checks after \\$763,000 recovered for 1200 employees \(www.fairwork.gov.au/about-us/news-and-media-releases/archived-media-releases/2015-media-releases/march-2015/20150312-national-cleaning-campaign-results\)](http://www.fairwork.gov.au/about-us/news-and-media-releases/archived-media-releases/2015-media-releases/march-2015/20150312-national-cleaning-campaign-results)

www.fairwork.gov.au/about-us/news-and-media-releases/archived-media-releases/2015-media-releases/march-2015/20150312-national-cleaning-campaign-results) Ms James said at the time the findings indicated a need for many cleaning contractors to pay greater attention to wage rates.

The largest underpayments were recorded in Victoria, where 36 cleaning contractors were required to reimburse 268 cleaners more than \$246,000.

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

Ms James encouraged employers who had any uncertainty about whether their workplace practices were appropriate to visit www.fairwork.gov.au or call the Small Business Helpline for advice on 13 13 94.

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- [MQ Property Group Pty Ltd Enforceable Undertaking \(DOCX 103.1KB\) \(www.fairwork.gov.au/ArticleDocuments/884/enforceable-undertaking-mq-property-group-pty-ltd-redacted.docx.aspx\)](http://www.fairwork.gov.au/ArticleDocuments/884/enforceable-undertaking-mq-property-group-pty-ltd-redacted.docx.aspx) (PDF 582.1KB) (www.fairwork.gov.au/ArticleDocuments/884/enforceable-undertaking-mq-property-group-pty-ltd-redacted.pdf.aspx)

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