



Australian Government

Fair Work OMBUDSMAN

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Mr Stephen Palethorpe
Secretary
Senate Standing Committee on Education and Employment
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Dear Mr Palethorpe

Fair Work Ombudsman oversight in Woolworths Group Limited Proactive Compliance Deed – Cleaning Services

Thank you for your correspondence of 16 November 2018 regarding the concerns raised by Ms Ashleigh Wallace, who is acting to recoup wages on behalf of two employees of Pioneer Facility Services engaged in cleaning a Woolworths store in Western Australia. In addition, I note the committee's request for information about the oversight provisions the Fair Work Ombudsman (FWO) has in place to ensure that Woolworths and its subcontractors are engaging in the repayment process accurately and in good faith.

Following receipt of your correspondence, I asked one of my staff to contact Ms Wallace to offer assistance and clarify the details of the matter. Ms Wallace has confirmed that the underpayment matter is now close to a satisfactory resolution for her clients. During subsequent conversations, the FWO has also assisted Ms Wallace with interpretations of the Cleaning Services Award.

I understand Ms Wallace has also taken the opportunity to provide feedback about her experience with the underpayment recovery process. The FWO appreciates receiving feedback and has already actioned the items raised by Ms Wallace in discussions with Woolworths. We will also be mindful of Ms Wallace's recent experience as we approach the first quarterly reporting process.

I note that the committee has also written to Woolworths and Pioneer Facility Services in regards to Ms Wallace's correspondence and each company will provide a response to the committee. The FWO has made contact with Woolworths regarding this matter and encouraged the respective parties to work closely together to secure a just and fair resolution for the workers involved.

In relation to the oversight the FWO maintains over the repayment process, I would like to note that the primary intention of the compliance partnership with Woolworths is to provide the company and their subcontractors an opportunity to resolve issues with current and former employees in the first instance.

The aim of the compliance partnership is for Woolworths to create a sustainable self-monitoring arrangement that promotes and ensures compliance in its network.

Woolworths is required to provide the FWO with results of both the internal and external audits stipulated by the compliance partnership. In addition to resolving underpayment issues raised by employees, the terms of the compliance partnership require Woolworths to ensure a sample of sites for each primary contractor are fully audited by an external auditor on an annual basis. Woolworths Internal Compliance Team are also required to undertake regular internal audits of contractors to maintain oversight of contractor's compliance.

The FWO's compliance partnership with Woolworths also sets out the requirements imposed on Woolworths by the FWO to maintain oversight and governance over the self-resolution of underpayment issues raised by current and former employees. Under the terms of the partnership, the FWO reserves its right to investigate any allegations of non-compliance that it considers constitutes serious non-compliance.

The FWO maintains formal oversight of all requests for assistance made directly to Woolworths via a series of regular updates mandated by the terms of the compliance partnership agreement. Specifically, clause 10.2 requires Woolworths to provide the FWO with details of underpayment amounts rectified on a quarterly basis. The committee has been provided with a copy of the compliance partnership and it is also publicly available on our website at www.fairwork.gov.au.

I can further advise that dedicated liaison officers from the FWO are in regular contact with Woolworths and meet on a monthly basis as well as maintaining contact to address any issues that might arise between those meetings. These discussions provide a regular forum for the FWO to discuss the progress of the underpayment recovery process. Woolworths has shown every indication of being willing to work with the FWO and proactively contact the FWO to seek guidance on application of their repayment process.

Should a party not be satisfied with Woolworths' resolution of any underpayment claim, the compliance partnership does not preclude a formal request for assistance being made to the FWO or, as stated above, the FWO from conducting its own investigation.

I trust this information is of assistance. The Fair Work Ombudsman is happy to provide the committee with any further information or details if required.

Yours sincerely

Sandra Parker
FAIR WORK OMBUDSMAN
26 November 2018