

Senate Standing Committee on Education and Employment

QUESTIONS ON NOTICE Supplementary Budget Estimates 2015 - 2016

Agency - Fair Work Ombudsman

Department of Employment Question No. EMSQ15-000401

Senator Lines provided in writing.

Question

FWO - Compliance activity

Can you please update more generally on your compliance activity, including the Harvest Trail work?

Are there particular areas you're targeting? If so, why?

Answer

Broadly, requests for assistance involving a dispute received by the Fair Work Ombudsman are finalised through three stages – assessment, dispute resolution, and compliance and enforcement.

Compliance and enforcement usually occurs where the matter indicates serious non-compliance and involves intervention by a Fair Work Inspector.

The Fair Work Ombudsman measures the seriousness of non-compliance by the potential impact it has on an individual, group or market and we regularly review our compliance priorities to meet the changing needs of the Australian community.

In 2014–15, we particularly focused our efforts on matters involving those most vulnerable to exploitation, overseas and young workers. These workers are also more likely to face significant barriers to taking their own action.

The FWO may begin an inquiry in response to systemic non-compliance trends in our data, issues raised in the media, or concerns we receive from the public. The scope of an inquiry usually extends beyond a single request for assistance to include an industry, region, supply chain, labour market or a combination of these.

We examine structural and behavioural drivers that lead to serious widespread non-compliance, with particular attention paid to the influence of entities at the top of supply chains. The complexity of these issues and the entrenched non-compliance means inquiries are longer term activities.

As part of our approach, we may conduct site visits, interviews and audits of workplace records over a number of years before findings, recommendations and actions are shared. Inquiry reports are published on fairwork.gov.au.

Ten comprehensive inquiries were active during 2014–15, with more than 160 related education and compliance activities conducted.

Inquiries continuing in 2015–16 are examining the:

- employment arrangements of workers, mainly working holiday visa holders and seasonal workers, along the harvest trail
- outsourced housekeeping arrangements used by 4 and 5 star franchise hotels
- work performed by working holiday visa holders
- knowledge of pregnancy discrimination workplace laws by employers in Victorian and New South Wales Chinese speaking communities
- procurement of trolley collecting services by Woolworths
- workplace practices of 7-Eleven franchise stores
- procurement arrangements of cleaners in Tasmanian supermarkets operated by Coles and Woolworths.

As at 30 June 2015, we had recovered \$254,924 for 870 workers as part of the Harvest trail inquiry. Money has been recovered through compliance audits and requests for assistance from workers. Twenty-four infringement notices were issued; totalling \$14,250 in penalties, and legal proceedings were initiated against one horticulture employer.

The Fair Work Ombudsman's recent compliance activities and compliance priorities are outlined on pages 21–45 of the Fair Work Ombudsman's 2014–2015 Annual Report, available at www.fairwork.gov.au/about-us/reports-and-submissions/annual-reports.