

**Senate Standing Committee on Education Employment and Workplace  
Relations**

**QUESTIONS ON NOTICE  
Additional Estimates 2009-2010**

**Agency - Fair Work Ombudsman**

**DEEWRQuestion No.EW0864\_10**

**Senator Cameron provided in writing.**

**Question**

**SHAM CONTRACTING**

In respect of the sham contracting audits conducted in conjunction with the ABCC, can the FWO ombudsman provide details of the audit methodology, the results of the audits, the number of head contractors and subcontractors audited in each state, the total number of contractors in each state and whether FWO is confident the numbers audited represent a statistically reliable sample of the contractors in the building and construction industry and that the results of the audits are representative of the industry as a whole?

**Answer**

*The Fair Work Ombudsman has provided the following response:*

The Fair Work Ombudsman has not conducted audits into sham contracting in conjunction with the Australian Building and Construction Commission.

In September and November 2008 the Fair Work Ombudsman's predecessor, the Workplace Ombudsman, undertook a targeted campaign of the New South Wales construction industry in the Sydney metropolitan area. The Workplace Ombudsman campaign sought to audit the level of compliance of employers in relation to wages, penalties, overtime and entitlements.

The Workplace Ombudsman conducted 273 audits during the campaign. The Workplace Ombudsman found 69% of employers to be compliant and 31% to be in breach of their obligations. Of the 83 breaches identified, the majority were for minor record-keeping and pay slip breaches.

The Australian Building and Construction Commission concurrently, but separately, conducted an employee/subcontractor audit of construction companies in Sydney.