



CLEANING  
ACCOUNTABILITY  
FRAMEWORK



The Cleaning Accountability Framework

# Pre-Budget Submission

## 2024-25

January 2024





# Submission Overview

## About Us

[The Cleaning Accountability Framework](#) (CAF) is an independent, not-for-profit, multi-stakeholder organisation. CAF was born out of a recognition that a whole of industry approach was needed to end the systemic exploitation of cleaners. As a result, we were founded by AustralianSuper and the United Workers Unions, with support from the Fair Work Ombudsman, private sector, academics and industry associations.

CAF continues to operate in a collaborative vein, where we bring together all stakeholders, across the cleaning supply chain, to effectively mitigate the risks of modern slavery, promote fair contracting practices and empower cleaners.

We have a proven track record in uncovering non-compliance issues and, working in partnership with the United Workers Union, remediating labour rights violations experienced by cleaners. Since 2019, when [CAF Building Certification](#) launched, we have identified and investigated 772 compliance issues across only 40 commercial buildings and retail precincts in Australia. Furthermore, CAF Building Certification is recognised globally as one of the few effective worker-driven due diligence schemes and, in Australia, as an effective [anti-slavery mechanism](#).

CAF's leadership in this space makes us uniquely placed to work with the private and public sectors to enact industry-wide change and lift standards for cleaners in Australia.

## Why funding support is needed

CAF has spent the past 10 years working with the private sector to develop, successfully test and launch a world-leading due diligence scheme, industry tools and associated programs. CAF seeks federal funding to scale up its activities, from assessing cleaning supply chains at individual office buildings or retail precincts to other property asset types and sectors. To date, CAF has certified 40 buildings and precincts and had 4,615 interactions with on-site cleaners, which is a minor proportion of both the Australian property market and the commercial cleaner cohort.

**[The Fair Work Ombudsman has publicly advocated](#) that all public and private companies undertake CAF certification.**

With Government investment, CAF can significantly scale its offering to increase market penetration, drastically mitigate Modern Slavery risks in cleaning supply chains and ensure decent work for cleaners nationally. As the largest procurer of cleaning services in Australia, Government will also have the opportunity to effectively manage its own significant risk exposure in publicly procured cleaning contracts while enacting industry-wide change.



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# 1. Cleaning is a High-Risk Sector for Worker Exploitation and Modern Slavery

## Cleaning industry snapshot

Cleaning has been recognised as a key risk area for modern slavery in Australia by the Department of Home Affairs. Withholding of wages, immigration-related coercion and threats, deceptive recruitment, excessive overtime, debt bondage, confiscation of personal and travel documents, and dangerous and substandard working conditions are all practices that are found in the cleaning industry in Australia.

These practices start at the point of procurement, with tender processes that encourage undercutting resulting in contracts being awarded at prices that do not allow for payment of minimum wages and entitlements and safe productivity limits, and they continue through opaque and unaccountable supply chain relationships.

### **Cleaners are an essential, but vulnerable workforce:**

- The COVID-19 pandemic has underscored the indispensable role of cleaners. They provide us with safe and hygienic offices, schools, shopping centres, hospitals, airports, government buildings and many other vital public spaces.
- 85% of the cleaning workforce in CBD office buildings and in retail shopping centres are international students or temporary visa workers<sup>1</sup>. They report receiving threats against their immigration status and the confiscation of their personal and travel documents.<sup>2</sup>
- The industry also features high levels of job insecurity. Of the estimated 152,800 people working as commercial cleaners across the country in 2019, most were employed on a casual or part-time basis (68%, compared to the all-industry average of 33%)<sup>3</sup>
- The cleaning sector provides an entry point, an opportunity, and a livelihood for thousands of vulnerable workers, many of whom have English as a second or third language.

### **The cleaning industry has some of the most egregious labour practices in Australia:**

- The cleaning industry has some of the highest rates of wage theft in Australia. The Fair Work Ombudsman (FWO), Australia's workplace regulator, has identified the security and cleaning industries as having the highest risk profile of any industry<sup>4</sup>.

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<sup>1</sup> Berg, L. and B. Farbenblum (2020) International Students and Wage Theft in Australia, UNSW and UTS: <https://www.migrantjustice.org/iswagetheft>

<sup>2</sup> Nolan and Boersma (2019). [Addressing Modern Slavery](#)

<sup>3</sup> Labour Market Insights, [Commercial Cleaners - Overview](#), Australian Government

<sup>4</sup> PWC / FWO (2012) Phoenix activity: Sizing the problem and matching solutions, June 2012, p. 16.

- Investigations by the FWO, the United Workers Union (UWU), and academic researchers have found extensive non-compliance with labour laws for the past twenty years.<sup>5</sup> 44% of temporary migrant workers reported having been paid cash-in-hand in their lowest paid job in Australia, and 50% of them report never or rarely receiving pay slips.<sup>6</sup>
- Non-compliance with labour laws is rife in the commercial cleaning sector<sup>7</sup>. The most recent published cleaning industry compliance activity conducted by the FWO in 2017-18 found that cleaners were being underpaid at 90% of audited sites<sup>8</sup>.
- These problems have been well documented in successive parliamentary inquiries, FWO inquiries, and academic research. See Commonwealth of Australia (2016) [\*A National Disgrace: The Exploitation of Temporary Work Visa Holders\*](#); Commonwealth of Australia (2017) [\*Hidden in Plain Sight\*](#); Commonwealth of Australia (2018) [\*Wage theft? What wage theft?!\*](#)
- Sham contracting, wage theft, immigration-related coercion and threats, deceptive recruitment, excessive overtime, modern slavery and debt bondage, dangerous working conditions – these are all practices that feature in this sector. Sexual harassment and even assault is common.

### **A very high-risk industry for workplace injuries**

- The outsourcing of cleaning services and work intensification over several decades – the demand for more cleaning by less cleaners in less time – has contributed to the high prevalence of slips, falls, and injuries from bad posture and heavy lifting. The industry is plagued by high rates of musculoskeletal disorders<sup>9</sup>. This is often exacerbated by a lack of sufficient equipment and supplies and poor training.
- Safe Work Australia research shows that cleaning can be more dangerous than construction and mining. The average rate of workplace injury in NSW is 11.4 workers compensation claims per million hours worked in cleaning, compared to 9.5 for construction and 7.5 for mining<sup>10</sup>.
- CAF believes the true incidence of injuries is likely to be significantly higher, considering the likelihood of underreporting from a vulnerable workforce susceptible to exploitation.

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<sup>5</sup> Fair Work Ombudsman (2016) 'Cleaning industry compliance needs to improve', Media Release, 13 May 2016, accessible at <https://www.fairwork.gov.au/about-us/news-and-media-releases/2016-media-releases/may-2016/20160513-cleaning-compliance-campaign-presser>

Fair Work Ombudsman (2018) An inquiry into the procurement of cleaners in Tasmanian supermarkets, accessible at <https://www.fairwork.gov.au/reports/inquiry-into-the-procurement-of-cleaners-in-tasmanian-supermarkets>

Black Economy Taskforce – Final Report, October 2017, accessible at: <https://treasury.gov.au/review/black-economy-taskforce/final-report>

Hunter, L. (2017) 'United Voice reveals wage theft in Victorian schools', InClean, 16 May 2017, accessible at <https://www.incleanmag.com.au/united-voice-reveals-wage-theft-victorian-schools/>

Fair Work Ombudsman (2019) 'FWO recovers entitlements for school cleaners', Media Release, 29 November 2019, accessible at <https://www.fairwork.gov.au/about-us/news-and-media-releases/2019-media-releases/november-2019/20191129-victorian-government-school-cleaners-report>

<sup>6</sup> Berg, L. and B. Farbenblum (2017) Wage Theft in Australia: Findings of the National Temporary Migrant Work Survey, November 2017, UNSW and UTS.

<sup>7</sup> Parliament of Australia (2018). [\*The exploitation of general and specialist cleaners working in retail chains for contracting or subcontracting cleaning companies\*](#):

<sup>8</sup> FWO (2018) 'An inquiry into the procurement of cleaners in Tasmanian supermarkets, accessible at: [www.fairwork.gov.au/reports/inquiry-into-the-procurement-of-cleaners-in-tasmanian-supermarkets](https://www.fairwork.gov.au/reports/inquiry-into-the-procurement-of-cleaners-in-tasmanian-supermarkets)

<sup>9</sup> Lin, Jia-Hua, Wonil Lee, Caroline K. Smith, Nanette L. Yragui, Michael Foley, and Gwanseob Shin. "Cleaning in the 21st Century: The Musculoskeletal Disorders Associated with the Centuries-Old Occupation – A Literature Review." *Applied ergonomics* 105 (2022): 103839–103839. See also [\*WorkSafe Victoria – Cleaning industry\*](#)

<sup>10</sup> Patty, Anna. "Cleaning Can Be More Dangerous than Construction Work." *The Sydney Morning Herald*, 25 Aug. 2017

### What are the key drivers of non-compliance?

Labour academics Dr Justine Nolan and Dr Martijn Boersma's extensive research have identified key drivers of non-compliance in the cleaning sector as including:

- Complex subcontracting arrangements;
- Opaque and negligent contracting practices resulting in under-priced contracts
- Low barriers to entry for contract service providers;
- A largely migrant workforce, often with precarious visa conditions; and
- 'Aggressive price competition'.<sup>11</sup>

At the core of much of the problem is complex supply chains that create 'legal distance'<sup>12</sup> between the procurer of outsourced cleaning services and the vulnerable workers doing the cleaning. The impact of non-compliance extends risks across the entire supply chain - to stakeholders including investors and superannuation funds, property owners and managers, contractors and workers, and government.

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<sup>11</sup> Nolan and Boersma (2019). [Addressing Modern Slavery](#), (footnote 20).

<sup>12</sup> [Parliament of Australia \(2018\). The exploitation of general and specialist cleaners working in retail chains for contracting or subcontracting cleaning companies](#), (See Chapter 5)

## 2. A champion of workers' rights with exploitation in its own backyard

The Government has made significant progress in its ambitions to protect the rights of vulnerable workers with action, thanks to fighting significant legislative battles in 2023. Which lead to the Government's successful enactment of the Fair Work Legislation Amendment (*Secure Jobs, Better Pay*) Act 2022, Fair Work Legislation Amendment (*Protecting Worker Entitlements*) Act 2023 and the Fair Work Legislation Amendment (*Closing Loopholes*) Act 2023.

With higher standards now set it is expected that Government be transparent about their efforts to prevent Modern Slavery in supply chains and their commitment to protecting workers rights, the Government cannot tolerate exposure in its own administration and should seek to mitigate potential for worker exploitation in its 'own backyard'.

### Risk in Commonwealth procurement

#### The Government's large commercial property footprint

The Commonwealth has a large commercial office property footprint in Australia. According to the [2022 Australian Government Office Occupancy Report](#), a total of 76 Commonwealth entities occupy 645 tenancies with a usable office area of over 2.4 million square metres<sup>13</sup>.

Under its 'Whole-of-Australian-Government Property Services Coordinated Procurement Arrangements', the Commonwealth Government has outsourced the delivery of facilities management services to Non-Corporate Commonwealth Entities. In [FY 2022-23 alone](#), the Commonwealth awarded contracts for cleaning services to the value of \$43.1 million<sup>14</sup>.

The **Government is exposed to significant risk** due to its large property footprint cleaned by outsourced cleaning services. Equally, in occupying a significant position as both landlord and tenant, the **Government holds a powerful lever in tackling exploitation and modern slavery** within the cleaning industry at large.

<sup>13</sup> Department of Finance, [Australian Government Office Occupancy Report 2022](#).

<sup>14</sup> [Commonwealth Modern Slavery Statement 2022-23](#), p.32

## A sampling of Government risk exposure

CAF is an established, independent solution trusted by large property owners and institutional investors to improve conduct and culture and mitigate risk with respect to outsourced cleaning in the private sector. We have, however, had only limited engagement with the Commonwealth government (outside of FWO) to date. Since CAF Building Certification launched in 2019, CAF has completed assessments of 7 Government owned or leased sites. The [list below discloses just some of the labour rights compliance issues that were uncovered within the small sample of Commonwealth sites that undertook CAF Certification and were able to be remediated via CAF's multistakeholder framework.](#)

### Labour rights compliance issues found at Government sites (2019-2023)

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> Cleaners working at one government site were not given any hazardous chemicals training, despite being routinely required to use these dangerous substances. Moreover, the cleaners' break/lunch room was discovered to double as a windowless, poorly ventilated storage area for hazardous cleaning chemicals.

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> At multiple sites, we determined from CAF contract pricing analysis tools<sup>15</sup> that cleaner productivity rates (i.e. expected cleaner output per hour in square metres) priced into the contract were higher than industry safety benchmarks. This indicates a risk to both the cleaning contractor and the occupier (government tenant) being involved in underpayment of wages and entitlements due to the cleaners ending up performing unpaid overtime in order to get the job done.

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> Systematic accounts of bullying and harassment of cleaners by site supervisors, and then adverse action being taken against them by the cleaning contractor (employer) when they raised a grievance.

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> Significant gaps in the induction and training process for new cleaners at multiple sites, particularly in relation to site-specific procedures, chemical handling, safety, and fire drills.

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> Unpaid induction training is regularly reported. At one site almost all cleaners reported completing online induction training in their own time and without pay. This training reportedly comprised approximately 27 five-minute videos followed by a mandatory knowledge assessment. Failure to pass the assessment necessitated repeating the entire

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<sup>15</sup> CAF's Pricing Schedule has been recognised as an industry-leading tool that embeds fairness and transparency in the pricing of cleaning contracts. It achieves this by requiring service providers and procurers to assess whether minimum costs have been met to provide sufficient and sustainable levels of cleaning, taking into account wage compliance and WHS requirements.



process. This resulted in significant unpaid work time for the cleaners.

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> It is common across almost all the sites to find cleaners reporting that they come in to work while sick because they are led to believe they cannot take sick leave unless they provide a medical certificate. They also fear adverse action being taken against them if they do take sick leave. They also feel pressure to attend work sick because replacement staff are rarely rostered on.

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> In some cases, cleaners were also required to pay a \$30 to \$40 site induction fee which was not reimbursed by either their employer or the building manager.

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> Cleaners at one site reported having insufficient quantities of supplies and equipment, namely garbage bags, cloths, chemicals and vacuum cords. When they asked for replacement supplies and equipment, they are told by the cleaning contractor that there have been “budget cuts” and therefore they were to continue to clean without sufficient supplies and equipment.

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> At one site, 50% of workers whose records were audited were found to have been underpaid, with the cleaning contractor found to be paying allowances based on outdated Award rates from almost 2 years prior.

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The above is entirely consistent with CAF’s experience with private sector supply chains in that every single site has at least some compliance issues, often serious ones. This begs the question – if these issues were found at the relatively small number of government sites that CAF has assessed, **how big is the government’s risk exposure when all government sites and tenancies are taken into account?**

## 3. Solution

### Federal Government funding support

CAF has proven that it can remedy a market failure that even the national workplace regulator, the FWO, cannot address because its investigation powers are largely confined to the actions of direct employers only (i.e. the ‘price takers’ rather than the ‘price makers.’)

Fair Work Ombudsman Anna Booth said the achievements of the Cleaning Accountability Framework (CAF) in building a culture of compliance could be a best practice model in workplace relations for other industries.

Speaking at an event celebrating the 10th anniversary of CAF, Ms Booth said its work and that of the FWO stood side by side, adding:

*"We knew investigating and litigating could only do so much – focus was needed on the top of the supply chains and on property owners, on those who didn't directly employ the cleaners who clean their buildings but who, due to the way in which they procure and manage outsourced cleaning services, are very much key to whether or not those cleaners will get paid properly...."*

*"My view is that industry-led compliance and education measures like CAF are central to a sustained culture of compliance, especially in sectors where there has been a need to arrest the so called ‘race to the bottom’ mentality. Where there are complex supply chains involving the provision of labour, the risk of non-compliance with workplace laws is heightened."*

**– Anna Booth, Fair Work Ombudsman, November 2023**

By supporting CAF and its approach to engaging with the top of the supply chain (‘price makers’), the Federal Government can demonstrate genuine leadership and accelerate industry-wide change while mitigating its own substantial supply chain risks. An investment of \$2 million per annum over 3 years would enable us to achieve the following 3 key initiatives:

**1. *Research and development: Core services expansion***

CAF has a variety of programs to support the scaling up of CAF Certification, one being CAF Portfolio Rating which is purpose built for commercial office and retail precinct property portfolios. Once this is launched to market in FY25, CAF will be looking to roll it out to other property asset types and sectors. This would exponentially increase the number of vulnerable workers positively impacted.

**2. *The roll out of an expanded CAF education and training program and platform***

In 2022, CAF launched the Learning Hub, an online education platform for property services supply chains. The site currently has 3 e-learning courses and various free guides and factsheets on topics such as Modern Slavery and CAF Ongoing Compliance. In response to demand, CAF has plans to significantly increase its educational content with topics ranging from responsible procurement to ESG and decent work practices. There will be a considerable upgrade to the tech platform to be able to deliver these courses.



### 3. *Core CAF tools and systems development*

With CAF's expected growth, key internal systems and technology (project management tools, HR tools, CRM, digitisation of CAF tools, etc) will need to be developed.

Further details of proposed budget spending and costing allocations are available and will be refined through development and external tender processes (as appropriate) during the funded period.

We would welcome the opportunity to work with the Australian Government. For more information on the CAF Framework, see **Appendix: 'How the CAF solution aligns with core government priorities'**.

Should you have any further questions about CAF and our work in relation to this submission please contact Sonia Favero, Stakeholder Engagement Manager at [sonia@cleaningaccountability.org.au](mailto:sonia@cleaningaccountability.org.au) or visit us at [cleaningaccountability.org.au](http://cleaningaccountability.org.au)

## Appendix: How the CAF solution aligns with core government priorities

Decades of research into supply chain compliance mechanisms have found that audits are insufficient for identifying and understanding workplace issues such as bullying and harassment, wage theft, excessive overtime, and freedom of association violations<sup>16</sup>. They are particularly limited in identifying modern slavery<sup>17</sup>.

CAF is different to typical auditing and social auditing frameworks primarily due to the central role that workers themselves and their union play in compliance. We have found that [70% of labour rights violations are uncovered through worker engagement alone, as opposed to 30% through desk-based audits](#).

The [CAF 3 Star Standard](#) when verified through [CAF Building Certification](#) means that:

- **Cleaners** are being paid correctly, they can speak up when there is an issue at their workplace, they are educated on their rights and entitlements, and they have the unimpeded right to join and be represented by their union.
- **Procurers** have ongoing oversight of compliance, have a transparent supply chain, have a mechanism to engage with workers, and have responsible procurement practices.
- **Contractors** receive a fair contract price that enables them to pay and treat their workers in accordance with the law; have compliant processes in place relating to wages and entitlements, record-keeping and visa requirements; uphold the principle of freedom of association; and are committed to genuine investigation and remediation when issues arise.

CAF 3 Star Certification is a world-leading scheme that educates and empowers all tiers of a supply chain to monitor and enforce good labour conditions. CAF takes an educative approach to compliance. To better support stakeholders, CAF has developed guidance and training in the following areas:

- Property manager oversight of contractor compliance with labour standards.
- CAF best-practice model policies (e.g. personal/carer's leave policy, right to work checks, paid induction procedures, job security at change of contract etc.).
- Investigation and remediation of identified compliance issues, including proactive measures.

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<sup>16</sup> Re:Structure Lab (2021). Forced Labour Evidence Brief: Due Diligence and Transparency Legislation; Ford and Nolan (2020). "Regulating Transparency on Human Rights and Modern Slavery in Corporate Supply Chains: The Discrepancy between Human Rights Due Diligence and the Social Audit" Australian Journal of Human Rights 26, no. 1, pp. 27–45. See also: ETI (2004). Putting Ethics to Work; ETI (2016). Human Rights Due Diligence Framework; ILO (2016). Workplace Compliance in Global Supply Chains, pp.10 – 15; World Bank (2003). Strengthening Implementation of Corporate Social Responsibility in Global Supply Chains

<sup>17</sup>

Nolan and Boersma (2019). Addressing Modern Slavery. See also: ETI (2016); Bermingham and Zhou (2021). Bribes, Fake Factories and Forged Documents: the Buccaneering Consultants pervading China's Factory Audits, South China Post.



It is intended that over time, the framework will result in industry-wide responsible contracting, including a set of procurement standards and compliance mechanisms that will apply across the property services sector in Australia.

CAF's unique worker engagement method provides several avenues for cleaners to provide feedback on their working conditions, and to have their say on what needs to change for the principles of decent work to be implemented.

*“The participation of cleaners in CAF is critical to the success of the scheme – cleaners are at the heart of CAF and play an active role in identifying, resolving and preventing supply chain labour abuses that traditional audits and monitoring systems do not catch. This is what sets CAF apart from other auditing schemes and ensures ongoing compliance rather than simply point-in-time compliance.”*

***Lyndal Ryan, Director of Property Services, United Workers Union***

The 3 Star Standard is based on existing Australian workplace laws, tax and superannuation laws, and State-based legislation and regulation relating to work health and safety and portable long service leave. It has been developed in consultation with business, unions, cleaners, government, academics and industry associations.

In Australia, engaging with CAF provides businesses in the cleaning supply chain with a practical example of how they are working to improve conditions for workers, which can then be included in reporting under the Modern Slavery Act. CAF is designed to provide the conditions necessary for preventing slavery and slavery-like practices from occurring in the cleaning industry by ensuring that the conditions for decent work are present:

- at the site level;
- in contractual arrangements between property owners, facility managers and cleaning companies; and
- in the oversight mechanisms at each level of the supply chain

## **Alignment with Government priorities**

By supporting CAF, the Federal Government can demonstrate genuine leadership and action in addressing the key priority issues of wage theft, Modern Slavery, sham contracting, secure jobs, and responsible procurement (as detailed in the table below), ensuring adherence to minimum legal work standards while promoting a culture of collaboration and compliance that will ensure decent work and pay for some of the most essential yet vulnerable workers in our society.

## Wage Theft

### How CAF addresses this

- Audit of payroll records to ensure correct pay and entitlements of cleaners.
- Worker engagement to verify correct pay and entitlements and correct classification of employees (e.g. targeting sham contracting, unpaid unrecorded overtime, ability to take sick leave etc.).
- Education through worker engagement so cleaners understand their rights and entitlements and are supported to raise any inaccuracies with their pay.

### How this addresses Government priorities

- Lifting compliance rates in an industry that has been identified as high risk in terms of wage theft, labour exploitation and modern slavery.
- Reducing government compliance costs over time, as industry stakeholders work together to establish responsible procurement and contract management practices and develop a culture of compliance.
- Supporting programs that enhance and resource the ability of unions (in collaboration with industry stakeholders) to ensure industrial compliance.

## Modern Slavery

### How CAF addresses this

- Worker engagement to identify indicators of forced labour, debt bondage, and coercion and threats related to immigration status.
- Worker engagement to enable cleaners to raise compliance issues relating to dangerous and substandard working conditions that can lead to slavery-like practices as defined in the Criminal Code.
- Supply chain transparency and accountability.
- CAF can refer potential modern slavery victims to specialist non-government service providers who can offer targeted assistance.
- Support to organisations in drafting their Modern Slavery Statements.

### How this addresses Government priorities

- Demonstrated implementation of measures to prevent and remediate modern slavery and dangerous and substandard working conditions.
- Working from the top of the supply chain down, and the bottom of the supply chain up, to conduct compliance work regarding labour standards in supply chains, providing effective oversight of supply chain risks.
- Victim identification and support.

## Worker representation

### How CAF addresses this

- Requirement for the supply chain to recognise and support workers' right to join, be represented by and participate in their union.

- Central role for the union representing cleaners, United Workers Union, in the worker engagement process (including the identification and remediation of compliance issues and the roll out of worker education and training programs).
- Cleaners are involved in the verification of social audits and in ongoing monitoring and compliance with labour standards at their workplace (with the support and representation of their union).

#### **How this addresses Government priorities**

- Supporting opportunities that build the capacity of unions to establish genuine freedom of association, organise workers and protect vulnerable workers from exploitation.
- Educating vulnerable workers about labour rights and establishing worker-to-worker links within fragmented workplaces and supply chains.
- Supporting the role of union delegates in the workplace and their right to communicate with workers and access paid leave to attend union training and time to fulfil their roles.
- Promoting the important and legitimate role of unions and union delegates, including by giving workers the right to access union delegates and union representation at work, during working hours and in their workplace.
- Supporting and enhancing the right of workers to join and fully participate in the activities of their union, without hindrance or discrimination.
- Collaborative industry initiative, with unions and business working together to improve compliance and lift industry standards.

### **Sham contracting**

#### **How CAF addresses this**

- Audit of sign in records to determine if any unauthorised persons are accessing the building.
- Training building managers on how to undertake checks to determine if sham contracting is occurring.
- Audit at a contractor prequalification level to establish if there is a risk of sham contracting occurring.
- Limitations to subcontracting, plus supply chain transparency of any subcontracting arrangements.

#### **How this addresses Government priorities**

- Risk mitigation of sham contracting , improved market transparency and reduction in opportunities for cleaners to be exploited in the “shadow economy”.
- Demonstrated action on preventing sham contracting in the cleaning industry.
- Ensures any work that is subcontracted is performed by bona fide contractors only via responsible contracting arrangements.
- Improved compliance with the tax and regulatory system, leading to a reduction in compliance costs and an increase in tax revenue.

## Labour Hire

### How CAF addresses this

- Audit check to ensure cleaning providers and clients are compliant with relevant Labour Hire Licensing schemes.
- Setting standards for human resource management systems in the cleaning industry to drive compliance industry-wide.

### How this addresses Government priorities

- Increased regulatory compliance with labour hire regulations.
- Increased levels of compliance with workplace laws in the cleaning industry nationally, allowing the relevant Labour Hire Authorities to target unscrupulous operators.

## Migrant workers

### How CAF addresses this

- Audit of adequate procedures regarding right to work checks and ongoing monitoring.
- Worker engagement component to assess whether cleaners are being pressured to work beyond visa limitations/conditions.
- Education of migrant workers about their workplace rights.
- Engagement of migrant workers in the verification of labour standards

### How this addresses Government priorities

- Ensuring every worker, no matter where they have come from or what languages they speak, is treated with fairness, dignity and respect.
- Improving employment conditions for migrant workers, particularly international students.
- Educating migrant workers about their workplace rights in Australia and supporting them to enforce their rights.
- Changing industry behaviour regarding the exploitation of migrant workers.
- Working closely with trade unions to eliminate the exploitation and wage theft experienced by migrant workers.
- Protecting migrants workers from exploitation and reducing the ability of businesses to use the “shadow economy” to systematically ignore minimum award entitlements and exploit vulnerable workers.



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## Secure jobs

### How CAF addresses this

- Job security standard ensures all cleaners are consulted at change of contract and offered continued employment at the site (with the same position and hours).
- Audit of job security contract clauses.
- Audit of job security process followed at change of contract.
- Guidance for stakeholders going through a change of contract.

### How this addresses Government priorities

- Supporting secure employment for workers employed in labour hire, contracted or outsourced arrangements.
- Making cleaning jobs more secure, so that cleaners are no longer faced with losing their jobs and accrued entitlements every time the contract changes hands.
- Limitations to subcontracting so that it cannot be used as a means to exploit workers by paying below award or EBA negotiated wages (i.e. same job, same pay).

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## Tax/Super compliance

### How CAF addresses this

- Audit of payroll processes and employee records to ensure correct tax/super amounts have been calculated and remitted.

### How this addresses Government priorities

- Increased regulatory compliance.
- Demonstrated implementation of measures to target superannuation theft and tax evasion (PAYG and payroll).
- Improved economic security for cleaners in retirement.
- Decreased government spend on social security due to cleaners receiving their superannuation entitlements.

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## Workplace Health & Safety

### How CAF addresses this

- Audit to check that correct and current WHS insurance and certificates are in place.
- Audit of company WHS policy and procedure and implementation at a site level.

### How this addresses Government priorities

- Effective consultation, participation and representation of workers through their union and the appointment of union delegates, resulting in healthy, safe and respectful workplaces.
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## Responsible procurement

### How CAF addresses this

- Use of the CAF Pricing Schedule that ensures labour costs are transparent and properly costed and contractors submit sustainable pricing bids, i.e. the contract price is sufficient to ensure all worker entitlements are able to be met and safe and reasonable workloads are established.
- More robust audit process when engaging prequalified contractors.
- Tender clause and drafting support to ensure that tenders include appropriate provisions and compliance clauses.

### How this addresses Government priorities

- Drive the uptake of responsible procurement, thereby ensuring that the purchasing power of businesses and government is being used to support companies that engage in fair, equitable, ethical and sustainable practices.
- Improved supply chain transparency and accountability, with procurers of cleaning services playing an active role in setting the standards and ensuring ongoing compliance with labour standards.
- Demonstrated responsible procurement model that could be adopted by Government, which:
  - enables workers to be paid in accordance with their rights and entitlements;
  - reduces the risk of contract variations during the life of the contract as a result of adequate pricing from the outset;
  - establishes efficiencies at a procurement process level through the use of procurement standards and tools and prequalified contractors; and
  - balances the need for government procurement to deliver good value for money with a razor sharp focus on ensuring that contracts are sufficiently priced to support secure jobs, fair pay and compliance with labour standards.

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## Fairer pay for low paid workers

### How CAF addresses this

- The CAF compliance scheme ensures cleaners are paid the correct award or EBA negotiated wages.
- Development and pilot of the CAF 4 and 5 star certification standards and certification, which mandates above Award wages negotiated through union EBAs.
- Responsible procurement practices and use of the CAF Pricing Schedule will ensure that higher wages are properly funded by procurers.

### How this addresses Government priorities

- Lifting compliance rates in the cleaning industry effectively delivers a pay rise for many cleaners – ensuring that cleaners receive the correct pay and super, are paid to attend training and inductions, and are paid all overtime and allowances.
- Opportunity to collaborate with industry stakeholders to fund an increase in the wages of low paid cleaners, ensuring that these essential workers are valued and get the respect and recognition they deserve.