

Interim report: outcomes of the compliance partnership between the Fair Work Ombudsman and the Baiada Group

November 2016

© Commonwealth of Australia, 2016



Australian Government

Fair Work
OMBUDSMAN

Table of Contents

Executive summary	3
Background	6
Details of milestones reached under the compliance partnership	8
Communication	8
Systems and processes to promote compliance	10
Workplace relations training	19
Meetings	21
Underpayment claims and self-resolution of workplace disputes	23
Self-audits	29
Concluding comments	30
Appendix A – Notice published in the Weekend Australian on 14 November 2015	31
Appendix B – Notice posted in the meal rooms at Baiada processing sites	32
Appendix C –Deloitte’s signed statement	33



FWO + BAIADA GROUP COMPLIANCE PARTNERSHIP



NOV
2013

FWO COMMENCED INQUIRY INTO
BAIADA'S LABOUR
PROCUREMENT PROCESSES



BERESFIELD HANWOOD TAMWORTH



JUN
2015

FWO PUBLISHED FINDINGS:
INQUIRY INTO LABOUR
PROCUREMENT
ARRANGEMENTS OF
BAIADA GROUP IN NSW



OCT
2015

FWO AND BAIADA ENTERED
INTO A COMPLIANCE
PARTNERSHIP



NOV
2016

FWO PUBLISHED-
INTERIM REPORT:
OUTCOMES OF THE
COMPLIANCE
PARTNERSHIP BETWEEN
FWO AND BAIADA

IN ACCORDANCE WITH THE COMPLIANCE PARTNERSHIP, BAIADA HAS:



ESTABLISHED AND MAINTAINED A HOTLINE
AND EMAIL SERVICE FOR WORKERS



CONDUCTED WORKPLACE RELATIONS
TRAINING PROGRAMS AT EACH OF THEIR
PROCESSING SITES



ISSUED ALL WORKERS WITH A PHOTO
IDENTIFICATION CARD



INVESTIGATED ALL UNDERPAYMENT
CLAIMS UNDER THE TERMS OF THE
PROACTIVE COMPLIANCE DEED



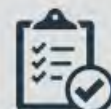
IMPLEMENTED AN ELECTRONIC
TIME KEEPING SYSTEM



PAID \$450,000 TO CHARITIES



TERMINATED CONTRACTORS FOR FAILING
TO COMPLY WITH WORKPLACE OR
TAXATION LAWS



ENGAGED DELOITTE AUSTRALIA
TO CONDUCT A SELF-AUDIT



94 EMPLOYEES WERE BACK PAID



OVER \$220,000

Executive summary

In November 2013, the Fair Work Ombudsman (FWO) commenced an Inquiry into Baiada's labour procurement processes at its three New South Wales sites. The Inquiry was conducted following allegations raised on the ABC's Lateline program in October 2013 concerning the employment practices within Baiada's labour supply-chain at its Beresfield site. These allegations were consistent with information the FWO had received from plant workers, the Australian Meat Industry Employees' Union (AMIEU) and members of the local communities of Griffith and Tamworth.

On 18 June 2015, the FWO published a report on the findings of its Inquiry into the labour procurement arrangements of the Baiada Group in New South Wales¹ (Baiada Report).

In the Baiada Report, the FWO committed to working closely and collaboratively with other regulatory agencies and groups to, amongst other things, assist Baiada with the implementation of the report's recommendations and thus contribute to building a culture of compliance.

As part of this commitment, the FWO invited Baiada to enter into a compliance partnership to publicly demonstrate it has a moral and ethical responsibility to eliminate the exploitation of vulnerable employees by contractors at its processing sites. On 23 October 2015, the FWO and Baiada entered into a compliance partnership.²

This interim report details the status of the compliance partnership and the requirements of the Proactive Compliance Deed which underpins it. FWO has seen significant improvements in the past year by Baiada to develop an effective capability at all its sites to both detect and respond to non-compliance. For instance in accordance with the compliance partnership, Baiada has:

- established and maintained a telephone hotline and email service that enables all current workers, former workers and members of the public to make enquiries, lodge complaints or report potential non-compliance with Commonwealth workplace laws
- ensured all workers are issued with a photo identification card which includes their full name, the employing entity's name and the employing entity's Australian Business Number

¹ "A report on the Fair Work Ombudsman's Inquiry into the labour procurement arrangements of the Baiada Group in New South Wales", Fair Work Ombudsman (June 2015) accessed at <https://www.fairwork.gov.au/about-us/access-accountability-and-reporting/inquiry-reports>

² <https://www.fairwork.gov.au/about-us/news-and-media-releases/2015-media-releases/october-2015/20151026-baiada-media-release>

- implemented an electronic time keeping system and additional processes to monitor and maintain accurate records of the starting and finishing times worked at all of its processing sites
- terminated the services of some contractors for breaching the terms of their written agreements by failing to comply with workplace relations or taxation laws
- conducted workplace relations training programs for all supervisors, managers, current and new workers at each of their processing sites
- investigated all underpayment claims under the terms of the Proactive Compliance Deed
- engaged Deloitte Australia to conduct the first self-audit under the Proactive Compliance Deed which found that there was no systemic risk of underpayment.
- identified that the total amount of underpayments through the claims and the self-audit process was \$220,437.84 which was paid to 94 workers, with the overwhelming majority of claims (91) relating to underpayments that arose before the Proactive Compliance Deed was executed
- paid \$450,000 to various nominated charities

In addition to the obligations under the compliance partnership, Baiada took additional steps during 2015 to improve its governance arrangements to address non-compliance with Commonwealth workplace laws, such as:

- establishing an integrated payroll system requiring its contractors to outsource all payroll services to a Baiada approved entity specifically established for this purpose, thus ensuring that employees are correctly remunerated and wages are paid directly to employees' bank accounts
- significantly reducing the number of contractors engaged at its processing sites and prohibiting further sub-contracting by its contractors.

The case studies included in this interim report illustrate the proactive steps Baiada has taken since entering into partnership with the FWO to enforce a culture of compliance among contractors at its worksites. In particular, the report identifies the systems and processes Baiada has put in place to take responsibility for workers in its labour supply chain. Some contractors have sought to circumvent the new systems. Baiada has detected and acted in response to such behaviour, including by terminating contractors. Throughout the partnership, Baiada has taken action to address such behaviour, in some cases taking steps additional to what is required by the terms of the Proactive Compliance Deed and reported the details of each step to the FWO.

While good progress has been made, Baiada must remain vigilant to ensure that non-compliant behaviour on the part of its contractors is identified and addressed. The real test of the partnership is the sustainability of the various changes made by Baiada over the life of the Proactive Compliance Deed, and whether the culture has shifted to one of compliance throughout its labour supply chain and across all its sites. FWO will continue to work with Baiada and monitor compliance in this regard and will once again report on progress in a year's time.

The partnership also demonstrates that embedding and sustaining a culture of compliance in a network or supply chain requires commitment and action from the top, with ongoing monitoring and persistent and active work on the part of the beneficiary of that labour. FWO will continue to work with major brands looking to build sustainable compliance with workplace laws throughout their labour supply chain.

Background

The Baiada Group (Baiada) includes both Baiada Poultry Pty Ltd and Bartter Enterprises Pty Ltd. Baiada operates a poultry growing, processing and supply operation. Baiada is one of Australia's largest poultry processing companies with a market share of 23%³, producing the Lilydale and Steggles brands.

Baiada operates eight poultry processing plants in:

- Beresfield, Hanwood and Tamworth in New South Wales
- Ipswich and Mareeba in Queensland
- Laverton in Victoria
- Wingfield in South Australia
- Osborne Park in Western Australia.⁴

In November 2013, the FWO commenced an Inquiry into Baiada's labour procurement processes at its three New South Wales sites (the Baiada Inquiry). Allegations had been raised publicly about



³ De Corrado, Mathew, *Poultry Processing in Australia*, IBISWorld Pty Ltd, February 2016, p.24

⁴ <http://www.baiada.com.au/> accessed 9 June 2016

the employment practices within Baiada's supply-chain at its Beresfield site on the ABC's Lateline program in October 2013. These allegations were consistent with information the FWO received from plant employees, the Australian Meat Industry Employees' Union (AMIEU) and members of the local communities of Griffith and Tamworth.

On 18 June 2015, the FWO publicly released a report on the findings of its Inquiry into the labour procurement arrangements of Baiada in New South Wales (the Baiada Report).

The Baiada Inquiry made the following findings:

- non-compliance with a range of Commonwealth workplace laws by contractors in Baiada's labour supply chain
- limited governance arrangements by Baiada of the various labour supply chains
- exploitation by contractors of a labour pool, comprised predominantly of overseas workers in Australia on sub-class 417 working holiday visas, involving
 - significant underpayments
 - extremely long hours of work
 - high rents for overcrowded and unsafe worker accommodation
 - discrimination
 - misclassification of employees as contractors.⁵

Given these findings, several recommendations were made to the Baiada Group including:

- ensuring its contractors identify the true employer of employees and display the employer's name on Baiada identification cards
- introducing an electronic time keeping system at each processing plant to properly record the starting and finishing times of all employees
- implementing protocols and policies to improve governance arrangements to ensure employees at their sites are being paid correctly for all hours worked
- providing transparency of labour supply arrangements through written contracting arrangements between Baiada and all levels of suppliers of labour
- preparing and providing industry and language specific induction materials for all employees.⁶

⁵ Ibid., p.3

⁶ Ibid., p.30

Prior to the release of the Baiada Report, Baiada started to implement a number of changes to its contracting and subcontracting arrangements to ensure contractor employees at its processing sites were not vulnerable to exploitation such as being underpaid legal minimum wages.

In the Baiada Report, the FWO recommended Baiada to enter into a compliance partnership to publicly demonstrate it has a moral and ethical responsibility to eliminate exploitation of vulnerable employees by its contractors at its processing sites. On 23 October 2015, the FWO and Baiada entered into a compliance partnership. The nature and terms of the compliance partnership were detailed and agreed to in a Proactive Compliance Deed executed by both parties⁷.

Details of milestones reached under the compliance partnership

This section outlines the steps that Baiada has taken to deliver each of the key obligations of the compliance partnership.

Communication

One of the key obligations of the compliance partnership was for Baiada to make public statements in various forms that it has a moral and ethical responsibility to ensure all entities and individuals involved in the conduct of its business fully comply with Commonwealth workplace laws.

Baiada was required to make these public statements within 28 days of the execution of the Proactive Compliance Deed by:

- posting them on Baiada's website
- posting them on public notices displayed at all Baiada processing sites
- publishing them in a notice to be placed in an edition of The Weekend Australian newspaper.



⁷ <https://www.fairwork.gov.au/ArticleDocuments/762/baiada-proactive-compliance-deed.pdf.aspx> accessed 8 November 2016

On 14 November 2015, Baiada had a public notice published in The Weekend Australian newspaper. A copy of the notice is available in [Appendix A](#).

On 19 November 2015, Baiada advised it had placed the public statement on its website.⁸

Also on 19 November 2015, Baiada advised it had displayed A3 size notices communicating the public statement and hotline contact details to workers in the meal room areas of each of their eight processing sites. Baiada advised the notice was translated into the most common languages spoken at their processing sites: English, Chinese, Vietnamese and Korean. A copy of the notice is provided in [Appendix B](#).

Baiada was also required to publish a notice inviting current and former Baiada contract employees to contact the hotline on any Australian hosted website known to be used by contractors or subcontractors to advertise for labour at Baiada's work sites.

On 19 November 2015, Baiada advised it formally requested the details of any Australian hosted website from all current contractors and the AMIEU. They further advised that these parties were unable to identify any such Australian hosted website. Given that no such website was known to Baiada or the FWO, this obligation was viewed as not applicable.

Baiada hotline

In addition, Baiada was required to establish and maintain a telephone hotline, with appropriate interpreter services, within 28 days of the execution of the Proactive Compliance Deed. The hotline was established to ensure that current or former employees at its processing sites and members of the public could make enquiries, lodge complaints or report potential non-compliance with Commonwealth workplace laws. As outlined above, Baiada was also required to raise awareness of the hotline by publishing a notice in the meal or change room area of each processing site, in languages spoken by employees.

On 19 November 2015, Baiada advised the FWO that it had entered into an arrangement with a dedicated third party called "Stopleveline" to administer the hotline service. Baiada advised it was contactable on 1300 30 45 50 or via email at baiada@stopleveline.com.au.

To support the public promotion of the hotline, the FWO issued a media release on 4 December 2015 encouraging current and former workers to contact the hotline if they had concerns about

⁸ <http://www.baiada.com.au/aboutus/Compliance-Deed-between-the-FWO-and-Baiada.html> accessed 14 June 2016.

being underpaid.⁹ The media release was supported with various messages through FWO social media channels during December 2015.^{10 11} The FWO's tweets and Facebook posts were seen over 27,000 times during this period.

To complement the FWO's digital messaging, Baiada promoted the details of the hotline on its website on 10 December 2015.¹²

As at 30 September 2016, a total of 18 calls and emails related to Baiada sites were received by the hotline.

Systems and processes to promote compliance

Prior to the publication of the Baiada Report, Baiada implemented a number of changes to its systems and processes to improve its contractors' compliance with Commonwealth workplace laws.

These changes were noted in Baiada's 7 September 2015 submission to the Senate Standing Committee on Education and Employment's Inquiry into the impact of Australia's temporary work visa programs on the Australian labour market and on the temporary work visa holders (Senate Inquiry).¹³ Some of these changes, which were not obligations under the Proactive Compliance Deed included:



- terminating three contractors who were unable to demonstrate they had appropriate systems to ensure compliance with workplace laws
- prohibiting any further subcontracting arrangements by Baiada's contractors unless they received written consent from the Managing Director of Baiada
- requiring contractors to outsource payroll services to Baiada to process wages directly into employees' bank accounts.

⁹<https://www.fairwork.gov.au/about-us/news-and-media-releases/2015-media-releases/december-2015/20151204-baiada-hotline> accessed 20 June 2016

¹⁰ https://mobile.twitter.com/fairwork_gov_au/status/672544595297767424 accessed 22 June 2016

¹¹ <https://twitter.com/NatJamesFWO/status/672553613927944194> accessed 22 June 2016

¹² <http://www.baiada.com.au/aboutus/fwo-hotline.html> accessed 14 June 2016.

¹³ <http://www.aph.gov.au/DocumentStore.ashx?id=bad66988-24f7-42e6-8ab6-6b4f3da75e1c&subId=401797> accessed 16 June 2016

Identifying employees and maintaining employee records

In addition, to the above Baiada was required to make a number of improvements to its system and governance arrangements under the Proactive Compliance Deed. Within 28 days of the execution of the Proactive Compliance Deed Baiada was required to:

- ensure all employees at its processing sites were issued with a photo identification card which included their:
 - full name
 - employing entity
 - their employer's Australian Business Number (for employees commencing after the execution of the Proactive Compliance Deed).
- ensure all employees carried their identification card at all times whilst on site
- finalise the implementation of an electronic time keeping system for all employees at its processing sites that enabled Baiada to monitor and maintain accurate records of the starting and finishing times worked.

On 25 November 2015, FWO representatives visited the processing site at Beresfield. During this visit, a number of the contracted employees' identification cards were sighted. On 1 December 2015, Baiada provided the FWO with sample copies of employee identification cards for each of its processing sites. Through the site visit and receipt of the sample identification card copies, the FWO confirmed these requirements of the Proactive Compliance Deed had been met.

As indicated in its submission to the Senate Inquiry¹⁴, Baiada had introduced an electronic time keeping system wherein all contractor employees are required to swipe in and out using the Kronos system¹⁵. This system produces an electronic record of each employee's starting and finishing times.

On Monday 19 October 2015, an allegation was made in the media concerning employees engaged by Baiada's contractor Calacash Inwa Enterprises Pty Limited.¹⁶ The allegation related to employees being required to continue working after swiping out of the Kronos system, and being

¹⁴ Ibid., p.3

¹⁵ [Kronos](#) is a software system that automates human resource management processes, including the tracking of employee's time and attendance

¹⁶ <http://www.smh.com.au/nsw/baiada-labour-hire-companies-continue-exploit-overseas-workers-despite-fair-work-ombudsman-warning-20151014-gk9avz> accessed 16 June 2016

paid by the number of chickens processed rather than by the relevant hourly rates under the Poultry Processing Award 2010.

Baiada subsequently advised the FWO that it had already issued 'direction notices' to all contractors on 16 October 2015. The direction notice warned contractors that employees being forced to clock off and receiving payment in cash would be a serious breach of their supply contracts with Baiada and Commonwealth workplace laws.

At the end of October 2015 Baiada advised the FWO that it had instituted additional processes with its record keeping systems to ensure its contractors were complying with Commonwealth workplace laws. These additional processes are as follows:

1. To gain entry to any of Baiada's processing sites, all contracted employees are required to meet a Baiada supervisor at the site entry gate prior to their appointed shift commencement.
2. The Baiada supervisor then conducts a check of each employee's photo identification card. Once their identity is confirmed, the Baiada supervisor swipes the Kronos card matched to the employee's photo identification card and the employee is allowed to enter the site and proceed to the change room area.
3. At the appointed shift start time a Baiada supervisor again swipes on each employee at the Kronos point adjacent to the designated work area.
4. Supervisors also ensure employees sign-on to the manual daily timesheet.

The reverse of this procedure occurs at the end of each shift.

On 25 November 2015, during a visit of the Beresfield site by FWO personnel, a member of the Baiada Human Resources team further detailed the above processes and systems for accessing the site and processing areas.

On 4 December 2015, Baiada provided the FWO with sample copies of employees' Kronos records at each of its processing sites, which confirmed the requirements under the Proactive Compliance Deed were met.

On 6 July 2016, FWO representatives again visited the Beresfield site and witnessed these reforms in practice.

The response from Baiada and the follow-up steps that have been implemented demonstrate a much improved commitment to compliance and significantly better outcome for their workforce.

Baiada has advised in addition to the requirements under the Proactive Compliance Deed that they have implemented biometric processes at all of their sites except for Laverton and Tamworth. The biometric processes at Laverton are still in the planning stage, whilst at Tamworth they have been installed but there are some networking issues. The adoption of this technology at all sites will greatly enhance compliance.

Case Study 1: Allegations from employees at Beresfield that they had been instructed to not use the Kronos system

On 17 September 2015, a number of boners working for the contractor J&T Trade Pty Ltd (J&T Trade) at Baiada's processing site at Beresfield, made allegations to the FWO about employment practices at J&T Trade. The employees alleged that J&T Trade management were pressuring workers to not use the Kronos electronic time keeping system and instead be paid piece rates in cash based on the kilograms of chicken each employee processed. We note that this conduct arose shortly before the commencement of the Proactive Compliance Deed.

The employees also alleged that workers who agreed to these arrangements received preferential treatment in terms of allocated shifts and that a significant number of employees engaged by J&T Trade were not using the Kronos system at all.

During October and November 2015, inspections were conducted by Fair Work Inspectors at the Beresfield site. During these visits, Baiada assisted the FWO by providing time and wage records for sample pay periods and interviews were conducted with a number of J&T Trade employees as well as a J&T Trade representative. When Inspectors put the allegations to J&T Trade employees, the workers all stated that they only used the Kronos system to record their hours of work and were not paid additional cash payments. The J&T Trade representative was served with a Notice to Produce documents and when interviewed denied the allegations that employees were pressured to not use the Kronos system.

Baiada was asked to provide further records, including 'daily boner worksheets'. Baiada also advised that it had issued 'direction notices' to all contractors on 16 October 2015, including J&T Trade, warning that employees being forced to clock off and paid in cash would be a serious breach of the Supply Agreement and Commonwealth workplace laws.

When reviewing records provided by Baiada and J&T Trade for pay periods in September 2015, Inspectors identified some inconsistencies. These related to a number of employees who appeared on the 'daily boner worksheets' or the site gate records as working on given days, but did not show up in either Baiada's Kronos system records or in the manual time sheets kept. These employees were also not recorded in the wage records provided by J&T Trade.

Baiada investigated further and confirmed that in September 2015, these employees were paid by means other than through the Baiada outsourced payroll arrangements. Given there were no records showing the actual hours worked by the employees or the actual cash payments paid, and inconsistent information was provided by J&T Trade workers, the FWO was unable to determine whether the employees had received their minimum award entitlements.

On 2 May 2016, an Infringement Notice with a penalty amount of \$2,700 was issued by the FWO to J&T Trade for failing to make and keep records that contained the information prescribed in the *Fair Work Regulations 2009*. In particular, the records did not show the hours worked by a number of casual employees or provide details of the rate of remuneration paid to the employees. On 2 June 2016, J&T Trade paid the penalty of \$2,700.

The additional processes implemented by Baiada noted on p. 13 as well as independent audits, are designed to ensure contractors and their workers reflect the correct hours worked in the Kronos system so that those records are accurate and reliable.

Engagement of contractors

As at October 2013, Baiada had agreements with six principal contractors to source labour for its three NSW processing sites. These principal contractors in turn subcontracted to at least seven entities acting as second tier contractors. These second tier contractors then often contracted down a further two or three tiers, involving up to 39 separate entities in total.¹⁷



Baiada was required under the Proactive Compliance Deed to take all reasonable necessary steps to ensure their contractors would:

- enter into a written contract with Baiada regarding the engagement of employees at Baiada's processing sites

¹⁷ "A report on the Fair Work Ombudsman's Inquiry into the labour procurement arrangements of the Baiada Group in New South Wales", Fair Work Ombudsman (June 2016), pgs. 10-11

- provide Baiada with a written certification signed by a director that its directors, officers and managers understand their statutory and contractual obligations under such written contract to comply with Commonwealth workplace laws
- provide the complete details of the terms and conditions on which each employee is engaged, including hours of work and pay rates to Baiada on a six monthly basis.

As indicated in Baiada's submission to the Senate Inquiry, prior to the signing of the Proactive Compliance Deed, it had already entered into new written contracts with its contractors to help ensure that each of the contractors' employees were being paid correctly. On 28 October 2015, Baiada advised the FWO it had engaged the following seven principal contractors at their eight processing sites:

- J & T Trade Pty Ltd (engaged at Beresfield and Wingfield)
- GGPB Power Pty Ltd (engaged at Hanwood, Tamworth and Laverton)
- HP Food Pty Ltd (engaged at Tamworth)
- VNJ Holdings Pty Ltd (engaged at Beresfield)
- PHV Poultry Pty Ltd (engaged at Ipswich)
- Springtime Poultry Pty Ltd (engaged at Mareeba)
- Calacash Inwa Enterprises Pty Limited (engaged at Osborne Park).

Baiada also advised at the time that in accordance with its written contracts with each of the principal contractors, no written consent had been provided by the Managing Director of Baiada to sub-contract their services.

As also required under the Proactive Compliance Deed, on a quarterly basis Baiada was to provide copies of all written contracts entered into with each contractor, plus a written certification from each contractor stating it understood its statutory and contractual obligations under the written contract, to comply with Commonwealth workplace laws.

On 28 January 2016, Baiada provided copies of all these contracts to the FWO.

For each of the contractors, Baiada provided two written contracts that were entered into at least two months prior to the execution of the Proactive Compliance Deed. The first contract was titled a 'Processing Services Supply Agreement' (Supply Agreement). The Supply Agreement is a written agreement for the contractor to supply processing services to Baiada at the relevant processing site. Under the Supply Agreement, the contractor must fully discharge all legal obligations to its

employees including the payment of wages for all hours worked, as well as superannuation, taxation and workers compensation obligations.

The second contract was titled a 'Payroll Services Agreement' (Payroll Agreement) between the contractor and a Baiada entity Eatmore Holdings Pty Ltd. The Payroll Agreement is a written agreement where the contractor agrees that Eatmore Holdings Pty Ltd will provide payroll services to assist the contractor to comply with the Supply Agreement and to meet its legal obligations to its employees.

On 28 January 2016, Baiada also provided a signed written certification, dated in January 2016, from a director of each contractor stating they understood their statutory and contractual obligations to comply with Commonwealth workplace laws.

Over the course of the period, Baiada notified FWO of changes to its contractors as required by the Proactive Compliance Deed.

Key changes include:

- Termination of the contractor HP Food Pty Ltd (HP Food) on 21 January 2016 (see Case study 2 on page 18).
- Termination of VNJ Holdings Pty Ltd (VNJ Holdings) in June 2016 (see Case study 4 on page 27). Baiada advised that all of the 80 VNJ Holdings employees were offered ongoing employment with PHV Poultry Pty Ltd (PHV Poultry) at the Beresfield site.

Baiada advised of the novation of the Supply Agreement for PHV Poultry to a new entity AMAI Enterprise Pty Ltd (AMAI Enterprise) at the Beresfield site, effective from 10 October 2016. All PHV Poultry employees engaged at the Beresfield site were transferred to AMAI Enterprise on 10 October 2016.

AMAI Enterprise has also entered into a Payroll Agreement with Eatmore Holdings Pty Ltd. As required under the Proactive Compliance Deed, Baiada provided FWO copies of the Deed of Novation and the Payroll Agreement, as well as other details including a certification from the Director of AMAI Enterprise that it understands its statutory and contractual obligations under the written contract, to comply with Commonwealth workplace laws.

The contractors in operation at Baiada sites at the end of the first year were:

- J & T Trade Pty Ltd (engaged at Beresfield and Wingfield)
- GGPB Power Pty Ltd (engaged at Hanwood, Tamworth and Laverton)
- Springtime Poultry Pty Ltd (engaged at Mareeba)
- PHV Poultry Pty Ltd (engaged at Ipswich)
- Calacash Inwa Enterprises Pty Limited (engaged at Osborne Park).
- AMAI Enterprise Pty Ltd (engaged at Beresfield)

Enhanced Payroll Services

The Payroll Agreement has been a significant reform instigated by Baiada and can be regarded as world best practice for the head of a supply chain.

Under these arrangements, Baiada performs all payroll services for its contractors for a fee. This arrangement ensures that employees are correctly remunerated according to the industrial instrument under which they work.

An important aspect of the arrangement, which was not a requirement under the Proactive Compliance Deed, is that Baiada holds a \$50,000 bond from each contractor. In the event that the contractor does not meet their wage obligations, the bond money is used to ensure workers receive their full entitlements.

Case Study 2: Baiada terminates the services of a contractor

On 21 January 2016, Baiada advised the FWO in writing that the Supply Agreement with HP Food at the Tamworth processing plant was terminated by mutual agreement.

After receiving eight claims from former HP Food employees through the Proactive Compliance Deed process, Baiada advised that it had expanded its investigation into payments made to all HP Food employees. During the investigation, the Tamworth Human Resources representative was made aware of alleged conduct by a HP Food supervisor to 'take back' part of the wages of some employees that had been paid directly through the

outsourced payroll arrangements. The 'take back' occurred when employees did not meet the targets of per kilogram production set by HP Food for boners.

Baiada investigated the allegation and concluded that the 'take back' behaviour had occurred.

On 18 January 2016, Baiada met with the HP Food directors and put the allegation to them with supporting evidence. Baiada advised HP Food that such behaviour constituted a serious breach of the Supply Agreement.

On 20 January 2016, Baiada met again with HP Food where the Supply Agreement was terminated by mutual agreement. HP Food shared further information with Baiada on the 'take back' scheme. Baiada estimated that the amount involved was in the order of \$15,000. Baiada stated it would check its records to confirm the correct amount and that it was their intention to repay effected workers using the \$50,000 bond lodged by HP Food to protect against underpayments.

On 7 March 2016, Baiada provided a written report to the FWO concerning the 'take back' scheme operated by HP Food. Using the information provided by HP Foods, Baiada determined that 35 HP Food employees were owed \$15,114 from 3 August 2015, being the date that Baiada commenced the payroll function. Baiada advised these amounts were payable as a refund to each employee and should not incur any tax consequences as PAYG tax had already been withheld in the initial payments to employees Baiada made these payments directly to each employee's bank account.

In the written report of 7 March 2016, Baiada advised that HP Food also operated a 'cash payment' scheme. This 'cash payment' scheme involved HP Food employees' swiping off the Kronos electronic time keeping system established by Baiada, and then returning to work where they were paid in cash by HP Food based on the weight of chicken the processed.

Baiada advised that its investigation into the 'cash payment' scheme revealed that the scheme operated after 3 August 2015 and ceased prior to the commencement of the Proactive Compliance Deed. Baiada assessed all HP Food employees by using the security gate information to determine the total hours on site and compared these with the Kronos time records for each employee. Where the available gate records indicated the employee was on site for 90 minutes more than the Kronos records, Baiada determined that the additional hours were worked and should be paid for.

Baiada looked at the additional hours worked each day to determine the applicable penalty rates, shift and meal allowances under the Poultry Processing Award 2010. By comparing this information with the cash payments made to HP Food employees, Baiada determined that a net payment of \$24,752.50 was payable to 30 employees.

HP Food directed Baiada to make these payments (plus the applicable tax and any on costs) from its bond and by offsetting against outstanding invoices.

Baiada also determined that 31 HP Food employees were paid cash payments that were equal to or more than the minimum amounts payable, if they were to be properly paid. Whilst Baiada determined there was not an underpayment of wages to these 31 employees, HP Food is required to pay tax and on costs to the Australian Taxation Office.

Workplace relations training

Another key obligation under the partnership is the provision of workplace relations training. Within six months of entering into the compliance partnership Baiada was required to engage workplace relations specialists to design and implement ongoing training programs for supervisors and managers, as well for all current and new employees.

Training program for Supervisors and Managers

Baiada engaged Australian Federation of Employers & Industries Legal (AFEI) to design and implement a workplace relations and human resources training program for Baiada's directors and all persons who have supervisory or management responsibilities in its processing sites (including contracting and subcontracting staff). The purpose of this training program was to ensure each participant is aware of their workplace relations obligations and employee entitlements under Commonwealth workplace laws, as well as work health and safety and migration laws.

The Proactive Compliance Deed requires Baiada to supply FWO, information on all training conducted on a quarterly basis. This includes providing copies of all training materials and records of attendance signed by attendees at the time and place of training.

On 12 February 2016, Baiada provided a copy of the attendance record and the training materials for a training session facilitated by AFEI on 2 February 2016. This session was attended by directors, officers and managers of Baiada. Baiada also scheduled training for managers, supervisors (including contractor supervisors) and employees during March. The training materials provided were titled 'Your obligations as an employer' and covered topics including:

- the National Employment Standards and the *Fair Work Act 2009*
- modern awards and enterprise agreements

- pay and recordkeeping requirements
- work health and safety
- migration laws
- supply chain obligations.

On 19 May 2016, Baiada provided a copy of the attendance records which indicated corporate employees, line managers and contractor supervisors at all of Baiada's processing sites attended similar training. These training sessions were facilitated by AFEI during March and April 2016 and the training materials provided largely covered the same topics as those noted above.

When reviewing the attendance records provided, the FWO noted none of the directors and/or main contacts of the Baiada contractors attended the training. Whilst there is no specific requirement under the Proactive Compliance Deed for such persons to attend the initial training program, Baiada will expand the next round of training to include the senior management of the contractor companies.

Training program for current and new employees

Baiada was required to engage workplace relations specialists to design and implement an ongoing workplace relations training program for all current and new employees to ensure awareness of their rights and entitlements under Commonwealth workplace laws. This included a requirement to provide industry and language specific induction documents.

Baiada advised that it conducts face-to-face induction sessions for new employees at each site with an interpreter and a Baiada Human Resources representative. At the induction sessions, employees are given information on various topics including:

- workplace health and safety
- workplace bullying
- animal welfare
- disciplinary guidelines.

Baiada also advised that all employees are given a Fair Work Information Statement in their own language and English to ensure they understand their workplace entitlements.

In addition, Baiada has made a Human Resources representative available at each of the processing plant sites to ensure that all employees are aware of workplace laws and their entitlements. As part of its obligations under the Proactive Compliance Deed, Baiada were required to provide training for all existing staff. Baiada considered the induction training provided to its

existing staff when it commenced sufficient to cover the required content, but it undertook to provide refresher training to staff by the end of October 2016.

The FWO has encouraged Baiada to include in its induction materials more information about the relevant governing industrial instrument (either the Poultry Processing Award 2010 or one of the 32 Baiada agreements and the National Employment Standards). Including this additional information will provide workers with a greater understanding of their workplace rights and entitlements.

Meetings

Since entering the compliance partnership, the FWO and Baiada agreed it was important to hold regular meetings to discuss and settle the implementation of the obligations under the Proactive Compliance Deed.

Since the execution of the Proactive Compliance Deed, six meetings have occurred. These meetings have proven to be a successful

forum for discussing progress and sharing feedback on the requirements of and activities associated with implementing the terms of the Proactive Compliance Deed.

Given this, the FWO and Baiada will continue to meet on a regular basis.



Case Study 3: Baiada puts a contractor on notice

On 13 May 2016, Baiada advised the FWO in writing that it had issued a 'breach notice' to PHV Poultry Pty Ltd (PHV Poultry), for not complying with the terms of the Supply Agreement between PHV Poultry and Baiada at the Ipswich processing plant. The 'breach notice' was issued on 11 May 2016.

On 21 April 2016, Baiada had been advised by one of its supervisors that they had overheard some PHV Poultry employees talking about having to pay back money to a PHV Poultry supervisor for lack of performance. Baiada subsequently conducted an investigation into the allegation and conducted interviews with various PHV Poultry employees on 28 April 2016.

As a result of this investigation, Baiada obtained evidence from three PHV Poultry employees that a PHV Poultry supervisor 'took back' or attempted to 'take back' \$100 from each employee over the preceding two to three weeks. Baiada also relied on evidence that a PHV Poultry supervisor threatened to sack employees who were 'too slow'.

On 6 May 2016, a Baiada representative met with the director of PHV Poultry who denied any knowledge of the breaches. The director however acknowledged that they are responsible for any breach of Commonwealth workplace laws and agreed to the following points as indicated in the breach notice:

- (1) The PHV Poultry supervisor alleged to have required the 'take back' to be suspended from working at the Ipswich processing site on 6 May 2016 (the supervisor in question was subsequently terminated on 9 May 2016).
- (2) PHV Poultry to promptly meet the cost of refunding any 'take back' to the affected employees.
- (3) To meet with all PHV Poultry employees, along with a Baiada representative and interpreters, to advise that if they are approached to pay money back or they are subject to any form of abuse or intimidation, that they report it to the PHV Poultry director and the Baiada Human Resources representative on site. Alternatively, the employees are to be advised they can report such issues to the Baiada Hotline.
- (4) Instruct all PHV Poultry supervisors that there is zero tolerance regarding any 'take back' or intimidatory conduct towards employees.

On 13 May 2016, Baiada also advised the FWO that PHV Poultry will no longer be undertaking work on the nine cut line and approximately 11 PHV Poultry employees would be offered work with Baiada's agency provider Chandler McLeod.¹⁸

On 6 June 2016, Baiada advised that the PHV Poultry director had undertaken all the above actions as identified in the breach notice. Baiada also advised that one employee had paid \$103 to the former PHV Poultry supervisor. These monies were paid back to the employee on 16 June 2016.

¹⁸ Chandler McLeod is a labour hire recruitment agency used by Baiada, as distinct to labour supplied by Baiada's contractors.

Underpayment claims and self-resolution of workplace disputes

Underpayment claims for employment between 1 January 2015 and 23 October 2015

An important feature of the Proactive Compliance Deed, was that over its life, Baiada agreed to assume responsibility for the underpayment of wages to employees engaged in its supply chain through contract labour arrangements, even though it is not their direct employer.

In addition, Baiada agreed to set aside \$500,000 to reimburse Baiada contract workers who were identified by Baiada as being underpaid for work performed between 1 January 2015 and 23 October 2015, provided the claim was lodged with Baiada by 31 December 2015.

This process involved the following actions:

1. Baiada were to investigate and use all reasonable endeavours to resolve any claim of non-compliance with Commonwealth workplace laws received either via the hotline, made directly to Baiada or through a referral of a request for assistance from the FWO.
2. Baiada's Human Resources representative would provide a written report to the FWO of their investigation of each claim made within 25 business days of receiving the allegation.
3. Where the Baiada investigation report identified and substantiated an underpayment of wages to the employee, Baiada would take reasonable steps to require the relevant contractor or subcontractor to rectify any underpayment incurred from 1 January 2015.
4. If the contractor or subcontractor failed to rectify the underpayment within 30 days of Baiada's investigation report, Baiada were required to make an ex gratia payment to rectify the underpayment.
5. As at 31 May 2016, any balance of the \$500,000 would be paid to six nominated charities. This payment was required by 30 June 2016.

The FWO supported the promotion of this aspect of the deed through the publication of a media release and supporting social media content throughout December 2015.¹⁹

Summary of claims and payments made

Baiada investigated a total of 153 claims²⁰, which were received from the following sources:

- 17 requests for assistance referred by the FWO

¹⁹ Ibid.

²⁰ four of these claims related to employment before and after 23 October 2015 (see below)

- 120 claims submitted via the employee's union which was either the AMIEU or the National Union of Workers (NUW)
- 16 claims directly made to the Baiada Hotline or through a Baiada Human Resources representative.

The following outcomes were determined by Baiada:

- 91 employees were underpaid
- 20 claims were ineligible under the Proactive Compliance Deed²¹
- 20 claims were unable to be reasonably satisfied that an underpayment had occurred²²
- 22 claims were paid above the award requirements.

Baiada stated that for the 91 underpayment claims the following total wages were paid to employees and taxation amounts were paid to the Australian Taxation Office.

Gross	\$218,768.79
Net	\$144,611.54
Tax	\$74,157.25

Of the total gross amount of wages paid:

- Baiada procured payments of \$168,709.27 from the relevant contractors
- Baiada were required to make ex-gratia payments of \$50,059.52.

When Baiada first outlined the process they intended to use when calculating entitlements the FWO raised questions about the tax implications of the method proposed. Following further discussion and Baiada obtaining approval of their method from the Australian Taxation Office the FWO accepted the method proposed. Baiada sent correspondence to all employees advising them of the outcome of the investigation into their claim. In addition, each claimant was advised to contact Baiada if they required further information on how their payment was calculated or how their claim was assessed. Translation services were also made available.

²¹ 19 of these claims were ineligible as they related to work performed prior to 1 January 2015 and 1 claim was made after the cut-off date of 31 December 2015.

²² On reviewing these claims, Baiada had evidence that directly contradicted the information provided by claimants. Given this, Baiada were not reasonably satisfied of an underpayment of wages

Baiada advised that 36 claimants sought further information on how their claim was determined and that all inquiries were responded to. In each of these cases, Baiada offered an opportunity to receive a detailed summary of their outcome as well as to submit further information in support of their claim. A total of 18 claimants requested this option and were provided with a summary explaining the calculation of their claim. Baiada further advised that 15 claimants indicated they did not agree with the assessment they received. Each claimant was invited to provide further information to substantiate their claim. Of these only one claimant provided further information. This claimant's claim was initially denied as Baiada determined that they were not reasonably satisfied that there was an underpayment, based on the information provided. On reviewing the additional information provided, the matter was resolved by the claimant, with assistance from his Union, accepting an offer of settlement of \$3,000.

Payments made to charities

Under the Proactive Compliance Deed, Baiada agreed to set aside \$500,000 to reimburse Baiada contract employees who were identified as being underpaid for work performed between 1 January 2015 to 23 October 2015, provided the claim was lodged with Baiada by 31 December 2015.

Baiada reported that they made ex-gratia payments to employees of \$50,059.52 gross, and accordingly the balance of the \$500,000 (\$449,940.48) was required to be paid to six nominated charities. Baiada paid the following monies to the nominated charities on 12 July 2016:

- Bankstown Multicultural Youth Service (Donation \$75,000.00)
- Community Migrant Resource Centre (Donation \$75,000.00)
- Working Women's Centres in Darwin, Brisbane and Adelaide (Donation \$25,000.00 each)
- Lifestart (Donation \$75,000.00)
- Children's Hospital Foundation (Donation \$75,000.00)
- Children's Cancer Institute (Donation \$75,000.00).

Request for assistance made to the FWO

As indicated above, a total of 17 requests for assistance made to the FWO were referred to Baiada.

Under the terms of the Proactive Compliance Deed, on 30 October 2015 the FWO referred 12 requests for assistance to Baiada for resolution. These requests for assistance were from former

Baiada contract employees that were previously under investigation by the FWO. These requests for assistance related to various periods of employment ranging from June 2013 to February 2015. The allegations were largely that employees were paid piece rates based on the kilograms of chicken processed, which were significantly lower than the rates of pay under the Poultry Processing Award 2010. These payments were made in cash and were provided to the employees in envelopes. The envelopes showed the amount of cash paid and any deductions made, which may have included items such as rental payments.

Of these 12 requests for assistance, Baiada determined the following:

- two employees were underpaid a total of \$1,900.79 for the period 1 January 2015 to February 2015
- eight employees were ineligible as they all related to work performed prior to 1 January 2015
- two employees were paid above the award requirements for the period 1 January 2015 to February 2015.

Since the signing of the Proactive Compliance Deed a further five requests for assistance from former Baiada contract employees were received by the FWO. These requests for assistance related to underpayment of wages for periods of employment before the signing of the Proactive Compliance Deed on 23 October 2015. Each of these requests for assistance were referred to Baiada for resolution.

Of these 5 requests for assistance, Baiada determined the following:

- one employee was underpaid a total of \$2,046.28 gross for the period 26 March 2015 to 27 April 2015
- three employees were ineligible as they related to work performed prior to 1 January 2015 or the claim was made after the cut-off date of 31 December 2015
- one employee was paid above the award requirement.

Case Study 4: Baiada puts a contractor on notice and then subsequently terminates their services

On 7 March 2016, Baiada advised the FWO in writing that they had issued a 'breach notice' to VNJ Holdings Pty Ltd (VNJ) for not complying with the terms of the Supply Agreement between VNJ and Baiada at the Beresfield processing site. The 'breach notice' was issued on 2 March 2016.

There were a number of reasons for the 'breach notice' being issued. Firstly, a former VNJ employee made a claim through the Baiada Hotline that in October and November 2015, he was required by a VNJ supervisor to pay back a total of \$241.00 in cash as a 'take back'.

Secondly, on two separate occasions during February 2016, a VNJ employee worked at the Beresfield processing site but used the Kronos card of another VNJ employee. The payments made to the employee who did not work were then subsequently transferred to the employee who performed the work. Baiada advised this was a failure by VNJ and its directors to ensure all employees were using the Kronos system to produce accurate records in accordance with the direction notice issued to all contractors on 16 October 2015.

Thirdly, approximately 30 VNJ employees were using two locations in Beresfield as their residential address and this was deemed unacceptable.

On 2 February 2016, Baiada representatives met with the director of VNJ who denied any knowledge of the breaches. The director acknowledged however that they are responsible for any breach of Commonwealth workplace laws and the Supply Agreement and agreed to the following points as indicated in the breach notice:

(1) VNJ to meet the cost of refunding \$241.00 to the employee. (The Supervisor who was alleged to require the take back had been removed from working at the Beresfield site in December 2015.)

(2) To meet with all VNJ employees, along with a Baiada representative to advise that if they are approached to use another employee's Kronos card or to pay money back, that they report it to the VNJ director or the Baiada Human Resources representative on site. Alternatively, the employees are to be advised they can report such issues to the Baiada Hotline.

(3) Instruct all supervisors to be more vigilant in checking identification cards when employees sign the VNJ manual time sheets.

(4) Conduct their own checks of employees and time sheets on both shifts at the Beresfield site.

On 1 April 2016, Baiada advised that the VNJ director had undertaken all the above actions as identified in the breach notice.

Finally, VNJ was advised in the breach notice that if there was any further default of the Supply Agreement no further notice would be given prior to a notice of termination.

On 27 June 2016, Baiada advised the FWO that it had terminated the Supply Agreement with VNJ. The circumstances giving rise to the termination were that on 3 June 2016, Baiada received a garnishee notice from the Australian Taxation Office requiring Baiada to deduct amounts from any money received or held for VNJ and pay that money to the Australian Taxation Office, up to \$1,723,176.17.

Baiada further advised that it met with the director of VNJ on 7 June 2016 regarding the matter. The VNJ director advised that there had been an ongoing investigation by the Australian Taxation Office and that the matter related to a disputed PAYG tax debt since 2013. Baiada formed the view that the conduct of VNJ was unacceptable and that an essential term of the Supply Agreement to comply with all Australian laws, including taxation laws, had been breached. Given this, a notice of termination was sent to VNJ on 20 June 2016, providing one week's notice that the Supply Agreement was terminated, effective from midnight 26 June 2016.

Baiada advised that all of the 80 VNJ employees were offered ongoing employment with PHV Poultry at the Beresfield site.

Underpayment claims for employment from 23 October 2015

Over the life of the Proactive Compliance Deed, Baiada has agreed to assume responsibility for the underpayment of wages to employees engaged in its supply chain through contract labour arrangements, even though it is not their direct employer.

As noted above and at the time of publication of this report, there have only been four claims of underpayment of wages made by a former Baiada Contract Worker to Baiada that related to a period of employment from 23 October 2015.

Of these four matters, the following outcomes were determined by Baiada:

- one HP Food employee was paid a total of \$1,219.20 net given the 'cash payment' and 'take back' schemes as referred to in Case study 2 on page 18
- one VNJ employee was refunded \$241.00 due to being required to pay this money to a supervisor as a 'take-back', as referred to in Case study 4 on page 27
- two claims from VNJ employees were not sustained as they did not provide sufficient information for Baiada to make an assessment.

Self-audits

Baiada engaged Deloitte to conduct the first self-audit of all contractors supplying labour to Baiada's processing plants sites. The audit was conducted to ensure compliance with the Commonwealth workplace laws. In consultation with the FWO, the self-audit reviewed a 20% sample of Baiada contract workers over the period from 14 March 2016 to 10 April 2016 inclusive.

Under the Proactive Compliance Deed, Baiada engaged Deloitte to do the following:

- check any manual time sheets provided by the contractor or subcontractor against Baiada's electronic time records for the sample audit period to ensure all workers are included in both records, and identify any inconsistencies between the two records
- check the sample records to ensure the contractor or subcontractor has complied with Commonwealth workplace laws
- review the amount the contractor or subcontractor has invoiced for the sample audit period and consider whether the sample records provided by the contractor or subcontractor accurately reflect the amount of work undertaken
- provide a signed statement from Deloitte's certifying the outcome of the self-audit.

As required under the Proactive Compliance Deed, Baiada provided Deloitte's completed audit report on 23 June 2016. The Deloitte report did not identify any systemic risk of underpayments to employees. However, the report did identify a number of exceptions, which were limited in nature, which indicated some employees may have been underpaid.

Baiada advised the FWO that they had taken steps to investigate these exceptions, which they advised were isolated in nature. Baiada rectified underpayment of wages to three workers on 28 June 2016 for the net amounts of \$8.00, \$46.00 and \$1,615.05 respectively.

Deloitte's signed statement is attached to this interim report at [Appendix C](#).

The total amount of underpayments identified through the claims and the self-audit process was \$220,437.84 which was paid to 94 employees, with the overwhelming majority of claims (91) relating to underpayments that arose before the Proactive Compliance Deed was executed. This indicates significant improvements in compliance with workplace laws on Baiada's sites. The processes established to identify and rectify underpayments will continue to be critical in ensuring that this embeds a culture of compliance in Baiada's workforce going forward.

Concluding comments

The FWO has found that Baiada has made significant progress over the past year in detecting and responding to non-compliance at all of its processing sites.

While some contractors have attempted to circumvent the new systems and governance Baiada has implemented under the Proactive Compliance Deed, Baiada has responded to and investigated allegations of underpayment of workers, to hold its contractors to account. Baiada has terminated the services of contractors, where they have found serious non-compliance with workplace relations or taxation laws.

The systems and processes that Baiada has put in place demonstrate that it has assumed responsibility for compliance with workplace laws on its sites.

FWO will continue to work with Baiada and monitor compliance in this regard to ensure the progress continues and a culture of compliance is embedded throughout its labour supply chain and will once again report on progress in a year's time.

Appendix A – Notice published in the Weekend Australian on 14 November 2015

Nugan's death was not necessarily over. "If new evidence is available, the need for a fresh inquest will be carefully considered," he said.

As the bank's fortunes began to spiral out of control in early 1980, Nugan's body was found slumped in his Mercedes-Benz outside Lithgow in NSW with a 30-calibre rifle in his lap.

The coroner eventually ruled his death a suicide, but only later did more evidence emerge of his bank's alleged shady links with US intelligence.

In Nugan's car were the names of some of his bank's clients, including 26 drug dealers as well as the business card of former CIA director William Colby, whose body would later be found floating face down in the water on a solo canoe trip in the US in 1996.

"The coroner said Frank Nugan took his own life but there were a lot of different opinions from people close to the case — even the police and the police prosecutor disagreed," says Peter Butt, whose book *Merchants of Menace* chronicles the demise of the bank and tracks down Hand in Idaho.

"At the time of his death, Nugan had started to become a liability to the bank ... there was no attempt to look at his background and find out why he may

original inquest file, the only records found related to the exhumation. "We found the archive box reference and archive box but the original inquest file is missing — all that is there is the exhumation files," a coroner's office spokesman said.

Further searches this week in the NSW Supreme Court, which ordered the exhumation, also found "no reference" of the case.

Butt said he was also unable to find all files relating to Nugan's death and believed some had been deliberately removed. "It looks like they have been taken by someone who had a great interest in the case," he said.

He declined to speculate who that might be.

After Nugan's death, bank employees were caught shredding documents and later that year Hand hired a fellow Vietnam veteran with alleged CIA links to help him escape the country before an arrest warrant was issued.

After the Nine Network's 60 Minutes program this week confronted Hand in Idaho, he released a statement confirming he was Michael Hand but denying any blame for the bank's collapse.

The AFP is considering the material in Butt's book but has not said whether it will seek to extradite Hand, or press charges against him.



The almost inaccessible Emerald Waters at Karjini National Park

Statement by Baiada Poultry Pty Limited & Bartter Enterprises Pty Limited

Baiada believes it has a moral and ethical responsibility to require standards of conduct from all entities and individuals involved in the conduct of its enterprise, that:

- Comply with the law in relation to all workers at all of its sites, and
- Meet Australian community and social expectations, to provide equal, fair and safe work opportunities for all workers at all of its sites.

Prior to the release of the Baiada Report, Baiada had commenced instituting changes to the contracting and subcontracting arrangements it had previously used to engage its contracted labour force (comprising less than 20% of its workers), due to its concerns that those arrangements were not stringent enough and that more needed to be done to ensure that the contract workers on its processing plant sites were not vulnerable to exploitation, including by way of underpayment.

Baiada has and will continue to implement fundamental, permanent and sustainable changes to its enterprise, because Baiada agrees that, for all workers, on all of its sites, Commonwealth Workplace Laws including the Fair Work Act 2009 (Cth) (FW Act), Fair Work Regulations, and Fair Work Instruments, should be fully complied with.

Department of Health & Human Services
Chief Medical Officer, Quality and Safety

- Provide expert senior clinical advice
- Champion quality and clinical governance


The Department of Health and Human Services is currently seeking a new Chief Medical Officer, Quality and Safety to provide strategic clinical leadership advice to the Minister, Department, and broader health services and hospitals sector.

Reporting to the Deputy Secretary, Health Service Performance and Programs, and Chief Medical Officer will drive improved standards of clinical governance and national safety in Victorian health services. Ensuring the delivery of strong and effective accountability for quality and safety across the State is a key aspect of this position.

The successful candidate will be a qualified medical practitioner and seasoned executive, with experience in patient safety standards or clinical governance at a major public health service or government environment. The appointee will possess a proactive and systematic decision making approach, with the demonstrable capability to manage complex and high profile issues. Presenting with highly developed communication and interpersonal skills, the ideal candidate will have the natural ability to influence and engage senior stakeholders and leaders across government and health.

To apply - please go to www.jobfisher.com.au and click on "APPLY ONLINE" reference DfSemo1115, addressing your cover letter and resume to Jo Fish Liz Jones, of Jo Fisher Executive, or call +61 3 9016 6000 for further information.

Appendix B – Notice posted in the meal rooms at Baiada processing sites

 <p>Statement by Baiada Pty Limited and Bartter Enterprises Pty Limited</p> <p>Baiada believes it has a moral and ethical responsibility to require standards of conduct from all entities and individuals involved in the conduct of its enterprise, that:</p> <p>a) Comply with the law in relation to all workers at all of its sites, and</p> <p>b) Meet Australian community and social expectations, to provide equal, fair and safe work opportunities for all workers at all of its sites.</p> <p>Prior to the release of the Baiada Report, Baiada had commenced instituting changes to the contracting and subcontracting arrangements it had previously used to engage its contracted labour force (comprising less than 20% of its workers), due to its concerns that those arrangements were not stringent enough and that more needed to be done to ensure that the contract workers on its processing plant sites were not vulnerable to exploitation, including by way of underpayment.</p> <p>Baiada has and will continue to implement fundamental, permanent and sustainable changes to its enterprise, because Baiada agrees that, for all workers, on all of its sites, Commonwealth Workplace Laws including the Fair Work Act 2009 (Cth) (FW Act), Fair Work Regulations, and Fair Work Instruments, should be fully complied with.</p>	<p>If YOU would like to: English</p> <ul style="list-style-type: none"> • Make an enquiry • Lodge a complaint or grievance or • Report potential non-compliance with Commonwealth Workplace law or Fair Work Instruments including underpayment of wages at Baiada processing sites; <p style="text-align: center;">Call the Workplace Hot-line on Phone: 1300 30 45 50 or email baiada@stopline.com.au</p>
	<p>如果你想： Chinese</p> <ul style="list-style-type: none"> • 进行询问 • 投诉或申诉，或 • 报告可能不遵守联邦工作场所法或公平工作工具，包括工资的Baiada加工点少付； <p style="text-align: center;">致电职场热线 电话：1300 30 45 50 或 电子邮件 baiada@stopline.com.au</p>
	<p>Nếu bạn muốn: Vietnamese</p> <ul style="list-style-type: none"> • Thực hiện một Enquiry • Nộp đơn khiếu nại hoặc khiếu nại hoặc • Báo cáo không tuân thủ tiêu chuẩn của pháp luật Commonwealth nơi làm việc hoặc Fair Work cụ thể bao gồm underpayment lương tại các địa điểm chế biến Baiada; <p style="text-align: center;">Hãy gọi cho Workplace Hot-line trên gọi điện thoại: 1300 30 45 50 or e-mail baiada@stopline.com.au</p>
	<p>당신 이 좋아하면： Korean</p> <ul style="list-style-type: none"> • 문의 합니다 • 불만 이나 고충 을 제출 하거나 • 연방 직장 법률 또는 Baiada 처리 현장에서 임금 의 파소 를 포함하여 공정 근로 약기 잠재적 부적합 보고서; <p style="text-align: center;">에 직장 핫라인 전화 전화: 1300 30 45 50 or 이메일: baiada@stopline.com.au</p>

Appendix C –Deloitte’s signed statement

Deloitte

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1220 Australia

Tel: +61 2 9322 7000
Fax: +61 2 9322 7001
www.deloitte.com.au

Mr Scott Murray
General Manager, Legal & Corporate Affairs
Baiada Poultry Pty Ltd
642 Great Western Highway
Pendle Hill NSW 2145

23 June 2016

Dear Scott

Re: Proactive Compliance Deed - Compliance Assessment

We refer to our engagement letter dated 18 February 2016 in respect of Deloitte’s appointment to execute a Compliance Assessment, as required under the Proactive Compliance Deed (the **Deed**) between the Commonwealth of Australia, as represented by the Office of the Fair Work Ombudsman (**FWO**) and Baiada Poultry Pty Ltd and Barter Enterprises Pty Ltd (**Baiada**).

As required under the Deed, we have executed the first Compliance Assessment, being the assessment required to commence after 6 months from the execution of the Deed. In conducting the Compliance Assessment, we have carried out a set of agreed procedures for the period 14 March to 10 April 2016 (inclusive) (the **Review Period**) across a sample of 168 Contractor Workers being 20% of the total Contractor Workers who worked during the Review Period.

In summary, based on the procedures performed as part of the Compliance Assessment, we have not identified any systemic risk of underpayment. However, we have identified a number of exceptions, limited in nature, that indicate that Contractor Workers may have been underpaid. We have been advised by Baiada it has taken steps to investigate, and where necessary, to remediate these exceptions.

Enclosed are the following:

- Appendix A – Compliance Assessment agreed procedures
- Appendix B – Compliance Assessment findings, including Baiada’s response (please note that as part of this Compliance Assessment we have not corroborated the validity of these responses by reference to supporting documentation)
- Appendix C – Exception report for procedure 3.2 (b) (iv).

We set out the assumptions adopted and limitations of our work at the end of Appendix B.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

Deloitte

Page 2
23 June 2016

Should you have any questions about the contents of this letter, please do not hesitate to contact me.

Yours sincerely



Neil Gray
Partner
Deloitte Touche Tohmatsu