

## WA foster carers back-paid \$6 million

13 December 2019

Home-care services organisation Lifestyle Solutions Ltd has back-paid foster carers in remote Western Australia more than \$6 million after breaching Australia's workplace laws.

The registered not-for-profit has entered into a Court-Enforceable Undertaking with the Fair Work Ombudsman after self-disclosing that it underpaid 124 current and former employees.

Lifestyle Solutions employs live-in foster carers for mostly indigenous children in remote communities under a contract with the WA Department of Communities Child Protection and Family Support. The live-in carers were located at properties owned by the WA Government.

An internal audit found that Lifestyle Solutions underpaid employees their overtime rates and Saturday and Sunday penalty rates they were entitled to under the Social, Community, Home Care and Disability Services Industry Award for work performed between 2012 and 2018.

Carers were generally paid annual salaries of over \$100,000 – but because they were effectively on-call 24 hours a day to care for children, many were considered 'continuous duty employees' under the Award and were entitled to annual wages of well over \$200,000.

Lifestyle Solutions has agreed to back-pay affected employees a total of \$6.36 million in wages, superannuation and interest. Over \$6.31 million has been back-paid with individual amounts ranging from less than \$1000 to more than \$500,000.

Fair Work Ombudsman Sandra Parker said that a Court-Enforceable Undertaking was appropriate as the organisation had demonstrated a strong commitment to back-paying workers.

"This matter serves as a warning to all organisations that if you don't prioritise workplace compliance, you risk underpaying staff on a large scale. We encourage employers to contact us for free advice and assistance on how to comply with their lawful workplace obligations," Ms Parker said.

"The Court-Enforceable Undertaking commits Lifestyle Solutions to stringent measures to protect their employees, including developing new systems to ensure future compliance, funding external audits over the next two years and rectifying any further underpayments."

Non-compliance issues were limited to Lifestyle Solutions' operations in WA. In other states, the organisation provides similar services using a daily roster system involving multiple staff, however the remoteness of locations and staff availability issues makes this unfeasible in WA.

Lifestyle Solutions has now implemented "Guaranteed Annual Earnings" contracts with its live-in foster carers in remote WA that will ensure carers receive more than the high-income threshold, over which Award entitlements do not apply. The threshold is currently \$148,700.

Under the Court-Enforceable Undertaking, the organisation must apologise to affected workers; display public, workplace and online notices detailing its breaches and information about employee entitlements; register with the My Account portal and complete online courses for employers; and fund workplace relations training for payroll and human resources staff.

Outstanding back-payment amounts are owing to former employees yet to be located, who should contact Lifestyle Solutions or the Fair Work Ombudsman.

Employers and employees can contact [fairwork.gov.au](http://fairwork.gov.au) and 13 13 94 for free workplace advice.

Download the [Lifestyle Solutions Enforceable Undertaking \(DOCX 141.8KB\)](https://www.fairwork.gov.au/ArticleDocuments/1505/lifestyle-solutions-enforceable-undertaking.docx.aspx) (<https://www.fairwork.gov.au/ArticleDocuments/1505/lifestyle-solutions-enforceable-undertaking.docx.aspx>) (PDF 625.9KB) (<https://www.fairwork.gov.au/ArticleDocuments/1505/lifestyle-solutions-enforceable-undertaking.pdf.aspx>)

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