

Audits recover \$1.3 million for underpaid workers

11 March 2020

A nationwide Fair Work Ombudsman audit of 1217 businesses in industries including hospitality, domestic construction, retail, manufacturing and administration services has recovered \$1,326,125 for underpaid employees.

The FWO initiated the audit, which commenced in 2018, after data consistently showed many businesses were failing the 'basics' of workplace law compliance: paying staff their correct rates, providing proper payslips, and keeping proper employment records.

Nearly half of the businesses audited (583) failed to get these workplace law basics right. Of these non-compliant businesses, 70 per cent underpaid their workers, while 30 percent failed their recording keeping and payslip obligations.

Hospitality, namely fast food, restaurants and cafes, was the least compliant industry (61% non-compliant) of all businesses audited by the FWO.

Fair Work Ombudsman Sandra Parker said the results were a wakeup call to employers that they need to prioritise workplace law compliance.

"Nearly three quarters of employers that breached the law said they weren't aware of the rules, which is not an excuse. Businesses are failing the basic requirements of being a responsible employer if they are not carrying out adequate due diligence before hiring."

"The Fair Work Ombudsman has free resources on our website that assist businesses to comply with the law. Any employers with queries about pay and conditions and their lawful obligations to their employees should contact us for free advice," Ms Parker said.

In response to the workplace law breaches, Fair Work Inspectors issued 24 on-the-spot fines totalling \$32,980 in penalties, 457 contravention letter, 56 formal cautions, and 47 compliance notices.

The FWO also entered into an [Enforceable Undertaking \(www.fairwork.gov.au/about-us/news-and-media-releases/2019-media-releases/may-2019/20190522-super-max-coffee-eu-media-release\)](http://www.fairwork.gov.au/about-us/news-and-media-releases/2019-media-releases/may-2019/20190522-super-max-coffee-eu-media-release) with Super Max Coffee Pty Ltd (trading as Mitte Café). The employer back paid \$37,520 to 32 employees and committed to engaging an external professional to conduct audits of employee entitlements and fix any further underpayments.

Eight employers remain under investigation for serious non-compliance discovered during these audits. The FWO is considering appropriate compliance and enforcement responses in these matters, which may include legal proceedings and large penalties.

Information for the fast food, restaurant and café sector is available at www.fairwork.gov.au/frac (www.fairwork.gov.au/frac) . The FWO has a range of resources available to help employers, including the [Small Business Showcase \(www.fairwork.gov.au/small-business-showcase\)](http://www.fairwork.gov.au/small-business-showcase) .

Employers and employees can visit www.fairwork.gov.au or call the Fair Work Infoline on 13 13 94 for free advice and assistance about their rights and obligations in the workplace. A free interpreter service is available on 13 14 50.

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