

Security services provider signs Enforceable Undertaking

26 November 2020

Principal security contractor Securecorp (NSW) Pty Ltd will back-pay underpaid workers after entering into an Enforceable Undertaking (EU) with the Fair Work Ombudsman (FWO).

This is the first FWO EU where a security head contractor has admitted that amounts it paid to contracted companies in its supply chain were insufficient to allow those companies to consistently meet their award obligations, and that it was involved in those companies' unlawful underpayments to their security guards, despite not being the employer.

The FWO began an investigation in response to a request for assistance from a security guard working for WJS (Aus) Group Pty Ltd, trading as Manpower Integrated Services (Manpower).

The security guard worked at sites in NSW where Manpower provided security services under an agreement with Securecorp NSW.

The investigation also considered whether MIS Group NSW Pty Ltd (MIS) and Securecorp NSW were in breach of workplace laws, as in June 2016 Securecorp NSW began to contract MIS instead of Manpower to provide the relevant services. Manpower and MIS were owned and operated by the same director during relevant periods investigated.

The FWO's investigation found that between April 2015 and August 2016, Manpower and MIS paid security guards flat rates of between \$20 and \$22 for all hours worked.

Securecorp NSW paid Manpower and MIS rates between \$24.50 and \$26.50 per hour for each hour the security guards worked, which it admits were insufficient to enable Manpower and MIS to consistently meet their lawful obligations under the Security Services Industry Award 2010.

The FWO's investigation found security guards were underpaid various entitlements, including casual loading, penalty rates, including weekend and public holiday rates, and overtime rates, and did not have their required minimum break between shifts. The investigation also confirmed Securecorp NSW had received weekly timesheets from sites where it was head contractor.

In response to MIS ceasing trade in 2017 and Manpower's deregistration in 2018, the EU requires Securecorp NSW to back-pay \$201,677 to 49 employees of Manpower and MIS, plus interest. Individual underpayments for the security guards range from \$37 to \$11,713.

In addition to the EU requiring two independent audits of Securecorp NSW contractors next year, an independent expert must also review, and Securecorp NSW must rectify, any other related underpayments of additional Manpower and MIS workers who provided services to Securecorp NSW between April 2015 to August 2016.

Fair Work Ombudsman Sandra Parker said the EU would benefit workers across Securecorp NSW's network.

"This Enforceable Undertaking commits a head contractor in Securecorp NSW to a range of measures to ensure workers throughout its labour supply chain receive their lawful wages. This includes the company engaging, at its own cost, an independent expert to complete audits of security companies it contracts work to," Ms Parker said.

"Securecorp NSW has admitted to its involvement in the payment breaches by companies it contracted to. The message to head contractors is clear – you can be held liable for underpayments in your supply chain if you pay inadequate prices to your contractors."

Under the Enforceable Undertaking, Securecorp NSW will make a \$10,000 contrition payment to Commonwealth Consolidated Revenue. The company must operate a hotline for two years to assist all former employees of Manpower and MIS in relation to their work at Securecorp NSW-operated sites. The company must also display public notices and contribute an article to Security Insider sharing lessons learned.

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Download the [Securecorp \(NSW\) Pty Ltd Enforceable Undertaking \(DOCX 106.6KB\)](http://www.fairwork.gov.au/ArticleDocuments/1545/securecorp-enforceable-undertaking.docx.aspx) ([www.fairwork.gov.au/ArticleDocuments/1545/securecorp-enforceable-undertaking.docx.aspx](http://www.fairwork.gov.au/ArticleDocuments/1545/securecorp-enforceable-undertaking.pdf.aspx)) (PDF 17.3MB) (www.fairwork.gov.au/ArticleDocuments/1545/securecorp-enforceable-undertaking.pdf.aspx)

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