

\$42,000 back-pay for Tas security workers

8 April 2010

Just 38 per cent of Tasmanian employers pass random audits

The Fair Work Ombudsman is calling for leadership from the security industry to dramatically improve its compliance with workplace relations laws.

Almost half the security companies scrutinised by inspectors in a national campaign were non-compliant with the Fair Work Act.

About \$453,000 back-pay is being recovered nationally for 652 workers who were found to have been underpaid.

In Tasmania, Fair Work inspectors identified underpayments totalling \$42,000 for 19 security industry workers employed by four separate businesses.

Inspectors have completed audits of 16 Tasmanian security companies and found 10 - or 62 per cent - were non-compliant.

Of these, four recorded breaches for underpayment of workers and six had record-keeping and pay-slip contraventions.

One further Tasmanian security company remains under investigation.

In Tasmania, the Fair Work Ombudsman focused on businesses providing crowd control services, as well as businesses providing a range of other security services.

Significant recoveries include:

- \$32,036 for eight workers at a business in Hobart,
- \$6757 for seven workers at a business in Launceston, and
- \$3466 for three workers at a business in Ulverstone.

Fair Work Ombudsman Executive Director Michael Campbell says the overall campaign results are disturbing, highlighting a need for "ongoing" education within the industry.

However, he says this is not a job for the Fair Work Ombudsman alone, and is urging employer organisations, unions and large companies to help drive behavioural change.

The Fair Work Ombudsman began investigating security firms because of concerns about the high number of complaints and prosecutions the security industry was generating.

It also received intelligence from a number of federal and state agencies.

Fair Work inspectors have completed 256 audits nationally. Of these, 126 - or 49 per cent - were non-compliant.

Of the 126 with contraventions, 60 had underpaid staff and 66 were found to have record-keeping and pay-slip breaches.

Forty-two companies remain under investigation and legal action is not being ruled out.

"In an industry characterised by long working hours, night shifts, high staff turnover and casual labour, it is disappointing to find just 51 per cent of employers meeting their lawful obligations," Mr Campbell said.

"What we have found is a widespread use of flat rates of pay in the belief that such arrangements would compensate for allowances, shift and weekend penalties, overtime and annual leave loadings.

"Some employers claimed they had verbal agreements with casual employees to work more than eight ordinary hours per shift and with full-time employees to work more than 10 ordinary hours per shift without overtime payments."

Mr Campbell says a handshake agreement to pay workers a flat rate - even if it is above the minimum hourly rate in the Award - does not negate the need to pay workers their full penalty rates for overtime, night and weekend work.

Fair Work inspectors randomly selected security companies for audit last October after first writing to 10,000 employers across Australia to provide information and advice about the Fair Work Act.

Key stakeholders were also advised, including the Australian Security Industry Association, Security Providers' Association of

Australia Ltd, Australian Industries Group, Liquor Hospitality & Miscellaneous Union and other government agencies.

"We were pleased with the interest of employer associations and the willingness of employers to voluntarily rectify issues as they were identified - but now we need a strong commitment from this sector to work collaboratively with us to vastly improve levels of education and compliance," Mr Campbell said.

"A number of employers were very positive about the campaign as they felt that poor practices among their competitors should be exposed and remedied, so we need to harness that attitude to assist bring about cultural change and significant improvements."

Mr Campbell says a follow-up campaign next year to re-audit a sample of those companies found to be non-compliant is likely.

The underpayment of workers identified in each State/Territory is as follows:

- NSW: \$163,000 for 276 workers at 21 businesses.
- WA: \$119,000 for 43 workers at eight businesses.
- SA: \$47,000 for 58 workers at eight businesses.
- TAS: \$42,000 for 19 workers at four businesses.
- VIC: \$40,000 for 61 workers at seven businesses.
- QLD: \$39,000 for 194 workers at 11 businesses.
- ACT: \$776 for a worker at one business.
- NT: No recoveries. Two businesses remain under investigation.

Employers or employees seeking assistance should contact the Fair Work Infoline on 13 13 94 or visit www.fwo.gov.au. For translations call 13 14 50.

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