

Adelaide company signs Enforceable Undertaking after underpaying employees almost \$60,000

31 January 2012

Adelaide poultry processor and distributor BPL Adelaide has back-paid 112 staff at its Wingfield plant almost \$60,000 after it was discovered the company had been underpaying its workers.

The back-pay – amounts ranging from \$11.07 to \$1151.28 - follows an investigation by the Fair Work Ombudsman which revealed that five employees had been underpaid \$404.37.

After voluntarily reimbursing the five workers their outstanding entitlements, the company conducted a self-audit to determine if other employees had also been underpaid.

Part of the Baiada group of companies, BPL Adelaide (BPLA) subsequently identified that it had inadvertently failed to update its payroll system to take account of transitional arrangements to the Poultry Processing Award 2010.

It calculated that 112 of its 209 Wingfield employees had been short-changed a total of \$57,940.38 in their meal allowances. All of the underpayments have been rectified.

Following BPLA's co-operation and agreement to voluntarily rectify all outstanding arrangements and put systems in place to ensure it does not happen again, the Fair Work Ombudsman has entered into an Enforceable Undertaking with the company as an alternative to litigation.

As part of the Enforceable Undertaking, the company has expressed its "sincere regret" for its failure to comply with workplace law and issued a public apology to affected employees.

It must also commission the preparation of a workplace relations compliance manual and make it available to all staff; ensure all staff with human resource and payroll responsibilities, together with site managers, attend a workplace relations training course, and engage an independent specialist to audit its compliance with workplace law each year for the next three years and provide a copy of the report to the Fair Work Ombudsman.

Fair Work Ombudsman Nicholas Wilson says the case highlights that a small mistake affecting a large workforce can result in a hefty bill for back-payment of wages and that it is not just small businesses without HR or IR experience that can run into trouble.

On November 4, 2010, the Fair Work Ombudsman conducted unannounced visits to Baiada group sites at Wingfield, Laverton (Victoria), Ipswich (Qld) and Beresfield and Tamworth (NSW) following public commentary about underpayment of workers.

These audits failed to find any other issues apart from an underpayment of less than \$1000 for four employees at Laverton resulting from the company's failure to correctly apply a freezer allowance. The workers have since been back-paid.

The Fair Work Ombudsman website - www.fairwork.gov.au - or the national Infoline - 13 13 94 – can assist employers and employees alike with information and advice on pay rates.

[Baiada Enforceable Undertaking \(PDF 352.8KB\) \(www.fairwork.gov.au/ArticleDocuments/720/Baiada-Enforceable-Undertaking.pdf.aspx\)](http://www.fairwork.gov.au/ArticleDocuments/720/Baiada-Enforceable-Undertaking.pdf.aspx)

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