

## Employer's failure to check minimum wage rates results in back-payment bill for \$500,000

18 March 2015

A health business that failed to check minimum wage rates inadvertently underpaid almost 200 staff half a million dollars.

Most of the underpaid workers were based in Darwin and Brisbane.

A total of 187 clerical, home care and disability support workers were underpaid amounts of up to \$7400.

The total underpayment - \$502,000 - occurred over four years between 2010 and 2014.

The workers were short-changed weekend, public holiday and shift penalty rates.

Some were also misclassified and underpaid their minimum hourly rates.

The widespread underpayment came to the attention of the Fair Work Ombudsman during one of its pro-active education and compliance campaigns.

The employer co-operated with Fair Work inspectors and back-paid the workers in full, without the need for any enforcement action. It also put processes in place to ensure the mistake will not be repeated.

Fair Work Ombudsman Natalie James says the Agency is satisfied it was a genuine error on the part of the company's Human Resources division.

"It seems the HR manager was unaware how to calculate correct wages under the relevant Award and did not seek advice or clarification," Ms James says.

"Small errors can result in very large underpayments if they're left unchecked for an extended period of time, particularly for companies with a big workforce."

Ms James urged employers unsure about their obligations to contact the Fair Work Ombudsman or check with their industry association.

Employers or employees seeking advice can visit [www.fairwork.gov.au](http://www.fairwork.gov.au) or call the Fair Work Infoline on 13 13 94. A free interpreter service is also available on 13 14 50.

Ms James says the Fair Work Ombudsman is supporting compliant, productive and inclusive Australian workplaces by providing practical advice that is easy to access, understand and apply.

Last financial year the Fair Work Ombudsman's campaigns team pro-actively audited 4567 employers throughout Australia, resulting in more than \$4 million in unpaid wages and entitlements being recouped for 7541 employees.

This financial year, the Fair Work Ombudsman is conducting four national campaigns and two campaigns in each State and Territory.

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## Contact us

Fair Work Online: [www.fairwork.gov.au](http://www.fairwork.gov.au)

Fair Work Infoline: 13 13 94

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Contact the Translating and Interpreting Service (TIS) on 13 14 50

Hearing & speech assistance

Call through the National Relay Service (NRS):

For TTY: 13 36 77. Ask for the Fair Work Infoline 13 13 94

Speak & Listen: 1300 555 727. Ask for the Fair Work Infoline 13 13 94

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