

## Company signs up to workplace pact after underpaying student intern almost \$7000

19 March 2015

A Sydney company failed to pay a student intern thousands of dollars in wages he was entitled to, a Fair Work Ombudsman investigation has found.

The student, in his late 20s, was in the final stages of a master's architecture degree when he was engaged by D-Studio Architects Pty Ltd.

He worked four-days-a-week for a month for no pay after approaching the business in late 2013 about an internship.

He was then paid \$12 an hour for almost six months of full time work.

He performed duties including architectural drawing, consulting with clients and regulators and conducting site visits.

After phoning the Fair Work Ombudsman to obtain information about lawful minimum wages, the student supplied the information to D-Studio Architects and asked the company to review his salary, but it declined to act.

The student lodged an underpayment complaint with the Fair Work Ombudsman last year after he resigned.

The Fair Work Ombudsman investigated and determined the student should have been paid under the Architects Award 2010 – and had been short-changed \$6830.

Whilst working for D-Studio Architects, the student performed productive work that was not a formal part of his university studies.

He was therefore entitled to be paid the minimum wage rate applicable under the Award - \$16.37 an hour initially, rising to \$21.19 an hour after he graduated.

D-Studio Architects also failed to pay the employee his correct annual leave entitlements and issue pay slips as required by law.

The company has co-operated with the Fair Work Ombudsman, back-paying the employee in full and agreeing to sign an Enforceable Undertaking, promising future compliance with its workplace obligations.

In addition, the company will donate \$500 to Interns Australia, commission an independent audit of its payment practices and complete the Online courses for employers available on the Fair Work Ombudsman's website at [www.fairwork.gov.au](http://www.fairwork.gov.au).

This includes registering with My Account, which allows employers to save tailored information such as pay rates and conditions of employment specific to their circumstances and log-in to view the information at any time.

Fair Work Ombudsman Natalie James says employers need to be aware that they are at risk of breaching workplace laws if they use unpaid work schemes as a source of free or cheap labor.

"When a worker moves beyond merely learning and observing and starts assisting with business outputs and productivity, workplace laws dictate that the worker must be paid minimum employee entitlements," Ms James said.

"We don't want to stifle genuine learning opportunities that help young people get a foot in the door, but we also don't want to see young people being treated unfairly through unpaid work schemes.

"We want to educate employers and workers about what genuine learning opportunities look like."

The Enforceable Undertaking comes after the Fair Work Ombudsman released a major research report into the issue of unpaid work in 2013, which found that growing numbers of Australian employers are using unpaid work schemes as an alternative to hiring paid staff.

In the Fair Work Ombudsman's first legal action since the release of the report, Melbourne company Crocmmedia was fined \$24,000 in January this year for implementing an unpaid work arrangement that led to two young employees being underpaid thousands of dollars.

The Fair Work Ombudsman has developed a range of resources – available at [www.fairwork.gov.au/unpaidwork](http://www.fairwork.gov.au/unpaidwork) - for employers, employees and higher education institutions to promote a clear understanding in the community about what constitutes legitimate

unpaid arrangements and vocational arrangements under the Fair Work Act.

They include fact sheets on topics including unpaid internships and work experience, unpaid trials, and vocational (student) placements.

There is industry-specific information for print and broadcast media, legal and marketing, the hair and beauty sector and cafes, restaurants and accommodation.

The website also provides details of the major research report into unpaid work arrangements commissioned by the Fair Work Ombudsman.

Employers and employees seeking assistance can also contact the Fair Work Infoline on 13 13 94. An interpreter service is available by calling 13 14 50.

The Fair Work Ombudsman supports compliant, productive and inclusive Australian workplaces.

Follow Fair Work Ombudsman Natalie James on Twitter [@NatJamesFWO](https://twitter.com/NatJamesFWO) (<http://twitter.com/NatJamesFWO>), the Fair Work Ombudsman [@fairwork\\_gov\\_au](https://twitter.com/fairwork_gov_au) ([http://twitter.com/fairwork\\_gov\\_au](http://twitter.com/fairwork_gov_au)) or find us on Facebook [www.facebook.com/fairwork.gov.au](http://www.facebook.com/fairwork.gov.au) (<http://www.facebook.com/fairwork.gov.au>).

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#### Download:

- [D-Studio Architects Pty Ltd Enforceable Undertaking \(DOCX 93.6KB\)](http://www.fairwork.gov.au/ArticleDocuments/837/eu-d-studio-architects-word-redacted.docx.aspx) ([www.fairwork.gov.au/ArticleDocuments/837/eu-d-studio-architects-word-redacted.docx.aspx](http://www.fairwork.gov.au/ArticleDocuments/837/eu-d-studio-architects-word-redacted.docx.aspx)) (PDF 1.2MB) ([www.fairwork.gov.au/ArticleDocuments/837/eu-d-studio-architects-pty-ltd-redacted.pdf.aspx](http://www.fairwork.gov.au/ArticleDocuments/837/eu-d-studio-architects-pty-ltd-redacted.pdf.aspx))

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

Fair Work Infoline: 13 13 94

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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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