

An employer's guide to fixing workplace problems



The Fair Work Ombudsman is committed to providing you with advice that you can rely on.

The information contained in this guide is general in nature. If you are unsure about how it applies to your situation you can call our Infoline on 13 13 94 or speak with a union, industry association or a workplace relations professional.

Who can use this guide?

This guide is for employers dealing with workplace problems.

Most problems at work happen because people don't know what the law is, or because communication has broken down. An effective way for you to fix a workplace problem is to find out what the law is and then work with your employee to find a solution.

This guide will take you through a simple 5-step process to help you fix workplace problems with your employees. You can use this process when you want to raise problems with an employee, or to respond to a problem they have raised with you.

Employees can access their own version of this guide from fairwork.gov.au/employee-guide

Who are we?

The Fair Work Ombudsman's (our) role is to promote harmonious, productive, cooperative and compliant workplace relations in Australia. We want to make sure everyone is following workplace law. We do this by providing education and advice to employers and employees.

We also have responsibilities to monitor compliance, investigate and inquire about alleged breaches of the Fair Work Act and take enforcement action when appropriate.





Step 1: Identify the problem

Most people enjoy good relationships at work. However, even in the friendliest workplaces, disagreements can happen. Dealing with workplace problems can be time consuming and frustrating, but it's important to address concerns as soon as they appear to stop them from becoming more serious. Handling workplace problems promptly can also help you to:

- build better relationships with your employees
- maintain employee morale and job satisfaction
- retain your staff
- maximise workplace productivity.

If your employee approaches you with a question or a problem, the first thing you need to do is get a clear understanding of their concerns. Remember to:

- demonstrate you are ready and willing to talk and listen
- be calm and polite being defensive or aggressive won't help you to fix the problem
- ask questions if you don't understand the employee's concerns
- find out what action the employee would like you to take to fix the problem
- take copies of any supporting information provided by the employee
- reassure the employee that you take their concerns seriously and tell them when you will respond.

You may also wish to ask the employee to put details of the problem in writing. This might help you to better understand the issues involved and provide an appropriate response.

Tips for proactively managing workplace problems

Employees don't always feel comfortable raising workplace problems, but it is important that you know about, and can deal with, problems before they escalate. You can encourage employees to raise problems in your workplace promptly by:

- setting up a simple process for employees to report their concerns or complaints
- having a clear written dispute procedure that employees can follow if they would like to raise a problem
- fostering a workplace culture of trust, transparency and open communication by acting on problems as soon as you become aware of them.



Example

George owns a clothing store. Judith, the assistant manager, arranges for Jim, a part-time employee, to work extra shifts to cover for a sick colleague. Judith and Jim both forget to write the extra hours onto Jim's timesheet.

Jim checks his pay slip and notices that he wasn't paid for the extra shifts. He is upset about this and sends George a text message saying, 'I'm not going to put myself out for you anymore if you're not going to pay me properly'.

George doesn't know what the message is about, so he arranges a time to sit down with Jim and discuss his concerns.

During their meeting George calmly asks Jim to explain what he meant by the message. Jim explains that he missed attending his nephew's birthday party to cover the extra shifts and feels angry that he wasn't paid for them. George explains that staff are paid based on the shifts on their timesheet and that no extra shifts had been recorded, but he agrees to look into the issue. George tells Jim he will get back to him by the end of the week.

George talks to Judith and checks the payroll. He sees that Jim wasn't paid for the extra shifts because his extra hours weren't recorded. George contacts Jim to explain what happened. He apologises for the mistake and organises for Jim to be paid for the extra hours worked. George also reminds Judith and Jim about the importance of accurately recording roster changes and actual work times on employee timesheets.

Because he responded promptly, George was able to identify the problem and fix it quickly and efficiently. He also strengthened his relationship with Jim and was able to review his workplace processes to prevent similar problems happening in the future.

We have step by step advice on dealing with some of the common problems that employers can experience in the workplace, including:

- I'm not sure what to pay my employees
- I'm not sure which award covers my business
- My employee isn't doing their job properly
- I think I've underpaid my employee
- My employee left without giving notice

Find information about these common workplace problems and simple steps you can take to fix them at <u>fairwork.gov.au/common-workplace-problems</u>





Once you know what the problem is, you need to check your rights and responsibilities under the law.

Minimum pay rates and entitlements will depend on any award or enterprise agreement that applies. There are also minimum entitlements such as leave and notice under the National Employment Standards (NES). It is very important that you are familiar with the NES and the terms of any award or agreement that applies to your employees. Your award or agreement will set out pay rates based on an employee's duties and other factors like their age and qualifications. If no award or agreement applies to your employees, then the National Minimum Wage (NMW) applies. Remember, minimum pay rates may change:

- after the Annual Wage Review each year, usually from 1 July
- if the employee's duties change
- on the employee's birthday, if they are a junior employee.

The Pay and Conditions Tool (PACT) at <u>fairwork.gov.au/pact</u> can help you find the correct award and calculate pay, penalty rates, allowances and leave entitlements. For more information about pay, leave, employee entitlements, awards or ending employment you can visit <u>fairwork.gov.au</u>

If you need information about enterprise agreements, superannuation, tax, workplace health and safety, workers compensation, bullying or sexual harassment, see the <u>Where to find more</u> <u>information</u> section at the end of this guide for a list of contacts that can help you.

My account

Register for an online account with us at <u>fairwork.gov.au/register</u> and you'll be able to:

- submit an enquiry about a workplace entitlement or problem
- bookmark your favourite pages, awards and Pay Calculator (PACT) results
- explore personalised resources such as online training, templates and more
- get important updates and tailored workplace information.



Example

Maria manages staff at a local restaurant and has recently hired new employees to work on weekends. Nate, one of the new employees, has spoken to Maria. He's concerned he is not getting the correct pay rate for working on Sundays, as he got a higher Sunday rate in his last job in the bistro of the local RSL Club.

Maria decides to check the pay rates using the Pay Calculator (PACT) at <u>fairwork.gov.au/pact</u>. She finds information about the base rates of pay and weekend penalty rates that her employees are entitled to. Maria compares these pay rates with her time and wages records and confirms that she has been paying the correct Sunday rates.

Maria organises a meeting with Nate. She provides the information she found at <u>fairwork.gov.au</u> and explains how the Sunday penalty rates are calculated under the Restaurant Award. She also provides information about Nate's classification under the award and explains he would probably have been under a different award in his old job. Nate thanks Maria for looking into it.

The next day, Maria gives a letter to Nate confirming their discussion. She encourages him to speak with her if he has any further concerns.

By checking the law and sharing the information she found with Nate, Maria was able to quickly and confidently fix the problem. Nate also feels better knowing that Maria took his concerns seriously and made proper checks.

Record-keeping

Good record-keeping helps you keep track of employee details, identify any payroll issues and keep your business running efficiently. It also makes it easier to find the information you need to respond to any concerns raised by your employees.

You are legally required to keep written records, in English, for each employee. This includes information such as the business' legal name and ABN, the employee's name, employment status and commencement date. It also includes records about:

- pay
- overtime
- hours of work
- leave
- superannuation contributions
- termination of employment
- agreements relating to employment, including individual flexibility arrangements and guarantees of annual earnings.

These time and wages records must be kept for 7 years.

You must also give all employees a pay slip within one day of paying their wages.

You can find more information about record-keeping at <u>fairwork.gov.au/recordkeeping</u>







Once you have checked your records and the law and understand the problem, you should organise a time to speak with the employee.

It's important to prepare for this conversation. You can do this by summarising the key points you want to cover, gathering any supporting documents or information and considering your options for fixing the problem.

After the conversation, you should make notes about the discussion you had and any agreement you have made. Include the date and time of the meeting and who was present.

Tips for discussing workplace problems with your employees

Remember to:

- refer to any conversations you have already had about the problem
- clearly outline the employee's entitlements, if that is what the problem is about
- include any supporting information, such as copies of pay slips, leave records and relevant information from <u>fairwork.gov.au</u>
- offer the option of bringing a support person this could be a co-worker, family member, friend or union representative
- stick to facts, rather than opinions, and give examples where possible
- invite the employee to share their point of view and listen to what they have to say
- keep an open mind there may be facts or problems you don't know about.

Need help having a difficult conversation with your employee?

Our Online learning centre has a free online course to help you prepare for a difficult conversation with your employee. The course includes practical tips to help you handle the conversation well, deal with the problem and get on with running your business. You can access the Difficult conversations in the workplace — manager course from <u>fairwork.gov.au/learning</u>



Example

Shamim is the manager of a car repair business where he employs 5 staff. One of his employees, Kelly, has sent him a request for annual leave during the upcoming school holidays.

Shamim checks the roster because 2 other employees already have leave approved for the same period. Shamim knows the business can't operate with so few staff, and he doesn't have enough time to find temporary replacement staff. He decides to refuse the request because it will have a significant impact on the business

Shamim expects that Kelly will be upset about being refused annual leave. He's not sure how to talk to her about it, so he visits the Online learning centre at <u>fairwork.gov.au/learning</u> and does the Difficult conversations in the workplace — manager course. The course helps him to prepare for the conversation and makes him feel more confident about discussing the leave request with Kelly.

After completing the course, Shamim organises a time to meet with Kelly. He clearly explains the reasons for refusing the leave and talks to her about other possible times that she could take leave. He also agrees to give her first option on leave for the next school holidays. Kelly says she understands the problem with staffing and will consider taking the leave later.

The next day, Shamim sends Kelly an email confirming their discussion and the reasons the leave was refused.

The following week Kelly sends Shamim a new leave request for one of the alternative dates they discussed. Shamim approves this request. While Kelly is disappointed that her original request was denied, she is happy that she could work with Shamim to find alternative dates.

Step 4: Fix the problem

Depending on the type of problem, there may be different ways to fix it. This could include:

- giving an explanation to the employee about their entitlements
- back-paying any unpaid entitlements
- updating the employee's records to fix any mistakes
- updating any relevant policies and procedures
- providing training
- setting a date in the future to check in with the employee to ensure the problem hasn't happened again.

It's important that you act promptly and monitor the situation to make sure the problem has been fixed. After talking to your employee, it's a good idea to write to them to confirm your discussion and any actions that will be taken to fix the problem. If you need help writing to your employee, refer to the example letter at the end of this guide (<u>Attachment 1: Example letter to employee</u>). Remember, you will need to change the letter to reflect your circumstances.

If other staff members are affected by the same issue, you should fix the problem and discuss this with all affected employees. This may involve checking the entitlements of other employees, updating any relevant policies and procedures or providing information to other employees.





If you have followed Steps 1 to 4 and still haven't been able to fix the problem, you may want to ask a third party to help.

A third party might be:

- your industry association
- the Fair Work Ombudsman (us)
- a solicitor
- the Fair Work Commission (the Commission).

The approach you choose will depend on the problem you're trying to fix.

Industry association

Your industry or business association can provide you with tailored advice to help you understand your rights and your obligations to your employees.

A list of organisations that are formally registered under the national workplace relations system can be found at <u>fwc.gov.au/registered-organisations</u>

There may also be other industry and business bodies in your area that can help.

How the Fair Work Ombudsman can help

You or your employee can request help from us.

When a workplace problem is reported to us, the action we take will depend on the circumstances and seriousness of the issue. We use a range of criteria to help us make this decision.

The actions we take could include:

- giving information, advice, and education on workplace rights and obligations
- offering practical tools and resources such as templates and online courses which can help fix workplace problems
- inquiring about and investigating situations where the law hasn't been followed
- using enforcement tools such as compliance notices, infringement notices, enforceable undertakings or commencing legal proceedings in response to non-compliance.

As part of this process, it's important to remember that we are neutral and impartial. We help employers and employees. We don't act or advocate for either party.

For more information visit our Fixing a workplace problem page at <u>fairwork.gov.au/fixing-workplace-problems</u>





Legal advice

You or your employee can seek legal advice from a solicitor or community legal centre at any time. They may be able to help you with a range of actions, including providing advice about your rights and responsibilities to your employees.

To find a solicitor, visit the law institute or law society within your state or territory.

To find a community legal centre go to <u>clcs.org.au</u>

Your employee might choose to take legal action. The small claims process can be used to recover employee entitlements or other debts up to \$100,000. In some cases, the court may allow the successful applicant to recover any court filing fees paid from the respondent. The small claims process is quicker, cheaper and more informal than a normal court case. The aim is to settle disputes quickly and fairly, with minimum expense to the parties. For information about small claims visit fairwork.gov.au/smallclaims



1 Where to find more information

Enterprise agreements

An enterprise agreement is a document that sets out employment conditions for a specific business or group of businesses. It's negotiated by the employer, employees and their representatives (typically unions) through a bargaining process. Enterprise agreements are approved by the Fair Work Commission (the Commission). The Commission can also help with disputes about how an agreement applies.

Find more information about enterprise agreements on our Agreements page at <u>fairwork.gov.au/agreements</u>

Work health and safety

You are responsible for providing your employees with a healthy and safe working environment.

If you're dealing with a workplace problem about work health and safety, contact the relevant work health and safety body in your state or territory. You can find their contact details on our Related government sites page at <u>fairwork.gov.au/links</u>

Tax and superannuation

You need to meet your tax and superannuation (super) obligations for all employees. This includes PAYG withholding tax and super.

If you are dealing with a workplace problem about tax or super, the Australian Taxation Office (ATO) can help. Visit <u>ato.gov.au/business</u>

Bullying and sexual harassment

Everyone has the right not to be bullied or sexually harassed at work.

If you are dealing with a workplace problem about bullying or sexual harassment, the Commission can help. For more information, go to the Commission's website at <u>fwc.gov.au/issues-we-help</u>

We can also help with some issues around sexual harassment at work. For more information visit <u>fairwork.gov.au/sexual-harassment</u>

Personal support

Dealing with workplace problems can cause stress. If you're having trouble coping, support is available from Beyond Blue at <u>beyondblue.org.au</u> and Lifeline at <u>lifeline.org.au</u>



Contact us

Fair Work online: fairwork.gov.au

Fair Work Infoline: **13 13 94**

Need language help?

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

Help for people who are deaf or have hearing or speech difficulties

You can contact us through the National Relay Service (NRS).

Select your <u>preferred access option</u> and give our phone number: **13 13 94**

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Attachment 1: Example letter to employee

You can use this example letter to help you write to your employee about workplace problems.

If you need more information visit <u>fairwork.gov.au</u> or contact our Infoline on 13 13 94.

John Smith 123 Sample Street Suburb STATE 0000

4 February 2025

Dear John,

Thank you for taking the time to meet with me on 1 February 2025 to talk about your pay.

As discussed, under the General Retail Industry Award (the Award) employees are entitled to receive a 25% loading for each ordinary hour worked after 6.00pm, Monday to Friday.

After reviewing your time and wages records, I've identified that this loading hasn't been applied to your pay. I apologise for this oversight and will make sure that this loading is correctly applied from now on.

I've also calculated that you're owed an amount of \$502.20 in back-pay because of the error. This back-pay will be paid to you as part of your next pay, including deducting the relevant tax and making relevant super contributions.

Thank you for bringing this matter to my attention. Please do not hesitate to let me know if you have any further questions or concerns.

Yours sincerely

Jane Smith

Manager

Business Name Pty Ltd



