



Home / News / Latest News

Department of Employment and Workplace Relations underpaid 'small cohort' of public servants



By [Miriam Webber](#)

August 11 2023 - 9:00pm



| 0



Deputy secretary of the Community and Public Sector Union Beth Vincent-Pietsch. Picture by James Croucher

The Department of Employment and Workplace Relations will back pay 68 public servants, after realising some employees had not been paid their overtime entitlement.

Chief Operating Officer Deborah Jenkins wrote to staff at the department this week to inform them of the error.

← News Home

are complex, we are working quickly to resolve it and pay our employees all their entitlements as soon as possible," Ms Jenkins wrote in an email.

The issue affects "a small cohort of employees" who are directed to work between 7-8am and 6-7pm, such as staff working at contact centres and service desk employees.

The [department realised](#) it had underpaid staff in June, and Ms Jenkins outlined a number of steps it had taken since to investigate further.

Read Next
from

**The Canberra
Times**

Featured Advertising



This bill is a safe way to
protect your pay



Kathryn Campbell's last
pay packet revealed



Labor faces pressure to
push through PTSD
work changes

Powered by [Hindsight](#)

This included seeking legal advice, gathering roster and overtime pay data, engaging an external advisor to calculate entitlements owed, commencing an independent legal review of the determination and reporting the matter to the Fair Work Ombudsman.

The total number of staff affected and how much money is owed is not yet clear.

"We are committed to ensuring that all employees receive the pay and conditions they are entitled to and are working through this as

← News Home

WORLD.

Dept could revise overtime window

[Community and Public Sector Union](#) deputy secretary Beth Vincent-Pietsch said the union understood 68 staff had been underpaid.

"The CPSU is aware of an underpayment issue that has impacted 68 employees in the Department of Employment and Workplace Relations," Ms Pietsch said.

"Since this error was identified by management, they have communicated openly and we do not foresee any issues in the rectifying the matter."

While staff at the department can choose their work hours between 7am and 7pm, those who are directed to work early or late are eligible for overtime.

READ MORE [PUBLIC SERVICE](#) NEWS:

- [Liberal MP Bridget Archer votes with Labor over robodebt apology](#)
- [The forgotten fundamental APS value](#)
- [Inquiry launched into 'current mismanagement' of Antarctic Division funding](#)

In that case, overtime applies outside of the hours of 8am and 6pm. The department is now considering revising that to 7am to 7pm.

"We are continuing to explore this option and it is of utmost importance to us that we do this right," Ms Jenkins wrote.

The Sydney Morning Herald

Business Workplace

This was published 4 years ago

Big companies put on notice about staff underpayments



Anna Patty

June 4, 2019 – 12.01am

Big companies are now discovering that they have been making serious payroll errors and incorrect assumptions about the award entitlements of their employees for years without detection.

Former Fair Work ombudsman Natalie James will tell the Australian Industry Group industrial relations conference in Canberra on Tuesday that it is not only small businesses and franchise networks being called out for the underpayment of workers.



Natalie James from Deloitte's Workplace Integrity practice. LUIS ENRIQUE ASCUI

The warning comes as the Fair Work Ombudsman flags tougher enforcement of workplace laws, including greater use of compliance notices to address underpayments.

Ms James, now with Deloitte's Workplace Integrity practice, will say that companies – often with their own enterprise agreements, union presence and "supposedly sophisticated" payroll systems and expertise – are now emerging as culprits, with underpayments running into millions of dollars. And mistakes have remained embedded in the systems for years without detection. "Today, we are seeing oversights arise in a different and surprising cohort of businesses," she will say. "Large, well-known operations that carry out business through well-established, national footprints, including some which are ASX listed, national retailers, a bank, a [government] owned media outlet, an international charity, a tyre retailer, an airline, master chefs.

"These are not companies that would like to think of themselves as engaging in 'below the line' conduct."

Yet these companies have had to confess to "serious payroll errors", making "incorrect assumptions" about award or agreement applications. They have had to confess to having "historically poor processes" and to "wrongly engaging [workers] on individual contracts rather than the relevant enterprise agreement".

"The apologies have flown thick and fast, as these businesses have had to confess to their employees and the community that they have underpaid employees, often over many years," she said.

The Sydney Morning Herald recently reported that [Beaurepaires Australia had incorrectly paid its workers](#) since 2010 as a result of payroll system errors resulting in close to \$2 million in underpayments.

Lockheed Martin in Australia has been accused of underpaying dozens of past employees for more than a decade, with the wages bill expected to come to more than \$1 million, *The Australian Financial Review* has reported.

[Super Retail Group](#), [Qantas](#) and public broadcaster the ABC have also been found to be underpaying their staff.

Ms James said underpayments were often occurring because of misunderstandings about laws, awards, enterprise agreements, contracts of employment and the way they interact.

"Wrong assumptions are being made that employees are award-free or not covered by an enterprise agreement. Or the wrong award is being applied. Or job descriptions and pay do not align to the appropriate award classification," she said.

"It may be just one or two award rules that haven't been properly coded into the payroll system.

"The impact of a single error quickly compounds across a large workforce, causing multimillion-dollar underpayments."

Reliance on manual processes, or when actual hours worked deviate from rosters and are not recorded, mean entitlements are not always picked up.

"I fear that some businesses have underestimated the risks in workplace relations compliance and underinvested in their systems and governance to achieve it. It is as if the IR expert is kept in a cupboard under the stairs," Ms James said.



Fair Work Ombudsman Sandra Parker.

Fair Work Ombudsman Sandra Parker told the conference on Monday the regulator would be taking a tougher approach to enforcement.

"Where an employer is issued with a compliance notice, the onus will be on them to get their house in order. We are going to simplify these notices so it's easy for employers to understand what they need to do, but if they don't comply with the terms of our compliance notice, the Fair Work Ombudsman won't resile from taking them to court to seek penalties," Ms Parker said.

"It is simply not acceptable for businesses to throw their hands up when they've been underpaying workers and expect to move on without consequences once the back pay is in the workers' accounts."



Anna Patty is Consumer Affairs Editor and Senior Writer for The Sydney Morning Herald. She is a former Workplace Editor, Education Editor, State Political Reporter and Health Reporter. Connect via [Twitter](#), [Facebook](#) or [email](#).

Deloitte partner Natalie James warns business 'complacent' over underpayments

David Marin-Guzman *Workplace correspondent*



Dec 4, 2018 - 11.00pm

When Natalie James first started heading the workplace watchdog she believed wage underpayments were a mistake and that most employers wanted to do the right thing.

But by the end of her five-year term as the Fair Work Ombudsman she had come to the conclusion underpayments were not only part of a culture in particular industries but that big businesses and even boards were asleep at the wheel when it came to workplace compliance.

"What really blew me away in my time as FWO is the number of larger, established, profitable businesses getting it wrong," she said.



'What really blew me away in my time as FWO is the number of larger, established, profitable businesses getting it wrong': Natalie James. Ryan Stuart

"They may have been getting it wrong for a whole range of reasons, but at its heart complacency was behind [it]."

She is now advising those businesses on the potential time bomb they may be ignoring as a partner in advisory with Deloitte

[<https://www.afr.com/business/accounting/former-fair-work-ombudsman-natalie-james-becomes-deloitte-partner-20180911-h157m5>].

Her new role follows underpayments attracting significant media attention in recent years as the full scale of the problem becomes apparent in "high risk" sectors such as retail, hospitality, horticulture and cleaning.

Five-star restaurants and well-known corporates and franchises have been caught out over widespread underpayments, causing huge damage to their brand from boycotts or social media.

Ms James says she suspects, from her own experience, that many boards are not asking for data about workplace compliance because they don't identify it as a high risk.

Large-scale remediation services

Deloitte partner Natalie James warns business 'complacent' over underpayments

"I'd sit across the table from senior people in franchisors who'd say 'I'm surprised, I don't know why this has happened'.

"I would think, well, you've got a very large proportion of visa workers and young workers in your network, and an unsophisticated set of franchisees, many also from a non-English speaking background – why are you surprised?"

Deloitte has arguably been at the forefront of the issue since 2016 after it was appointed by 7-Eleven to assess what became the country's first major case of widespread underpayments, totalling more than \$100 million of repayments across its franchise network.

The job required the firm to determine claims where 7-Eleven franchisees often lacked proper wage records or engaged in "cash back" scams that saw workers paid correctly but later forced to withdraw money to give back to the employer.

Ms James and the firm are now offering companies similar large-scale remediation services as well as workplace integrity assessments that aim to reveal "below the line" compliance risks, whether or not businesses are obeying the law, as well as "above the line" risks, whether businesses are behaving ethically and appropriately.

Deloitte's Pay Smart technology also offers to automate payroll and rosters checks to eliminate underpayments at a time when the Fair Work Commission is applying a tough test to ensure every worker on an agreement is better off than the award at all times.

All this is part of Ms James telling business that "you don't know what you don't know".

"If you don't pick up that rock and have a look underneath it then someone else will and they'll throw it through your window – and you'll have to clean up the mess."

David Marin-Guzman writes about industrial relations, workplace, policy and leadership from Sydney. *Connect with David on Twitter: Email David at david.marin-guzman@afrc.com*