

## Construction Fair Work case study

**Most employers are not HR professionals, so this can lead to them creating HR risk without them even knowing it.**

### Case overview

A Fair Work Ombudsman report has revealed that one in three Australian businesses audited as part of the agency's National Apprenticeship Campaign failed to pay their apprentices correct wages.

Over the course of the campaign, which was conducted over two years to June 2016, the FWO checked on 2266 apprentices in 822 business audits.

The audits found 264 businesses (32 per cent) had failed to pay their apprentices correctly and 178 businesses (22 per cent) did not comply with record-keeping and payslip requirements.

The campaign led to the Fair Work Ombudsman recovering \$339,433 for 323 workers. The FWO also issued 54 formal cautions, seven compliance notices and five infringement notices.

Acting Fair Work Ombudsman Michael Campbell said many apprentices came forward throughout the campaign.

"We received 2241 requests for assistance from apprentices and trainees during the campaign. Of these requests, 64 per cent came from workers under the age of 24," Mr. Campbell said.

"Apprentices and trainees account for less than 3 per cent of the Australian workforce yet they account for more than 7 per cent of dispute lodgements with the Fair Work Ombudsman. This is disproportionately high."

Mr. Campbell said the Fair Work Ombudsman would continue to promote compliance in the workplace through proactive audits and developing new materials to assist employers and workers to better understand their rights and obligations.

"It is important that both employers and workers understand that everyone must receive their lawful rate of pay and they must be paid for every hour they work," Mr. Campbell said.

"We have also recently released a new smartphone app, Record My Hours, which is aimed at helping young people keep an accurate work diary. The app allows workers to export their data to their employer to help avoid any misunderstandings that may arise over working hours.

"Employers and employees can also refer to the Fair Work Ombudsman's Pay and Conditions Tool (PACT) to determine pay rates and check entitlements," Mr. Campbell said.

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## **Case facts**

- 822 audits
- 264 businesses (32 per cent) underpaying apprentices
- 178 businesses (22 per cent) non-compliant with record-keeping requirements
- 54 formal cautions
- \$339,433 pay-back to 323 workers

## **What they should have done**

The company should have referred to the Fair Work Ombudsman's Pay and Conditions Tool (PACT) to determine pay rates and check entitlements. As well as properly document work hours, pay rates, etc.

## **How Happy HR would have helped this business avoid the fair work claim**

Happy HR software provides a comprehensive record-keeping platform, as well as best practice HR performance management processes. With our Premium Services, employers have a qualified HR consultant capable of completing Award Interpretations for their employees.

## **Happy HR ROI (based off a 50-person company)**

Countless hours saved in Fair Work and reviewing documents!