

Healthcare 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

The Fair Work Ombudsman's National Healthcare and Social Assistance campaign has recovered more than \$100,000 for 193 workers across the industry.

The agency conducted a total of 696 audits across the medical services, allied health services and residential care services sectors. Businesses included GPs, physiotherapy services, dental services and retirement villages.

Of the businesses audited, inspectors found that 85 per cent were paying their staff correctly and 86 per cent were compliant with record keeping and pay slip requirements.

Overall, the Fair Work Ombudsman found that 74 per cent of businesses were fully compliant with their workplace obligations.

The 696 audits led to the Fair Work Ombudsman issuing 16 infringement notices, 12 formal cautions and one compliance notice to non-compliant businesses. A total of \$109,295 was recovered for employees.

Acting Fair Work Ombudsman Kristen Hannah said compliance rates in the industry compared favourably to other industries the agency had focused on, however any non-compliant businesses were cause for concern.

"The campaign identified errors relating to pay rates, record keeping and pay slip requirements among non-compliant businesses," Ms Hannah said.

"I cannot emphasise enough the importance of businesses making themselves aware of their obligations in terms of ensuring their employees are receiving their due entitlements and keeping accurate records. Non-compliant businesses may find themselves liable for on-the-spot fines, hefty back-payment bills and, in the most serious cases, could face court action," Ms Hannah said."

Ms Hannah said that with maximum penalties for serious contraventions of workplace laws recently increasing ten-fold and penalties for record-keeping breaches doubling, businesses that breach the law are exposing themselves to big fines.

In one matter, the agency recovered a total of \$5770.94 for two casual employees of an optometrist business who were paid a flat rate of \$20 per hour for all hours worked. Under the Health Professionals and Support Services Award 2010 at the time, the workers were entitled to \$24.86 per hour on weekdays and \$34.81 on Saturdays.

The Fair Work Ombudsman issued the business with a compliance notice. The employer cooperated with the agency and rectified the underpayments under the terms of the notice.

The largest employing industry in Australia with more than 1.5 million workers, the Healthcare and Social Assistance industry is characterised by large numbers of small businesses and high levels of part time and low skilled employees.

The residential care services sector also employs a high proportion of female and migrant workers.

Between July 2010 and June 2015 the FWO received 180,000 enquiries relating to the industry on the Fair Work Infoline and over 5,700 requests for assistance. The agency has recovered \$7 million for more than 5,000 employees since 2010.

Case facts

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

In all instances Happy HR can assist with award interpretation and pay guide interpretation for any size organisation. Ridding them of any HR anxiety and potential underpayments.

Happy HR ROI

Countless hours in Fair Work and reviewing documents!

