



Red Cross - Project Harmony rectifying underpayment of wages

As most staff would be aware in 2017 Red Cross discovered it had been underpaying a proportion of its employees over a number of years.

This was primarily due to applying the wrong award or Enterprise Agreement to some roles, the incorrect award or Enterprise Agreement classifications to other roles or not applying any award or Enterprise Agreement where a role was covered.

Red Cross is seeking to rectify the non-compliance identified. To resolve this, and ensure Red Cross employees are paid correctly under the relevant Awards and Enterprise Agreements, and that any back payment owing from 1 July 2012 onwards is correctly calculated, Management have implemented a dedicated project team, led by the CEO with oversight from a Red Cross Board sub-group.

National management are also working closely with external advisors, the Fair Work Ombudsman and the ASU to progress and finalise this matter.

The details below provide an update on progress which shows the project is only partly finished.

Update on progress

Since December 2018, Project Harmony has achieved two milestones:

1. Management has made a partial back-payment (approximately 80%) to approximately 650 current employees who had been underpaid on their base rate of pay and/or annual leave loading.
2. From the pay cycle that began on 18 February 2019 (paid to employees on 5 March 2019), employees who received a letter in September 2018 notifying them that they were being underpaid on their base rate of pay and/or annual leave loading were moved to their correct pay rate and now receive annual leave loading for any annual leave taken in the future. The Equal Remuneration Order ('ERO') increase was also applied to the base rate of pay for any eligible SCHADS employee (classification levels 2 – 8) who was paid at or below the minimum rate for their classification. The payment and the ERO increase was back dated to 10 December 2018 to ensure no underpayment occurred on the ERO.

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As a result of the above, management have now corrected the hourly rates of pay and activated annual leave loading (where applicable) for approximately two thirds of current employees and paid them the majority of their back pay.

Next steps

Red Cross are now moving to:

- Finalise the remaining back pay for the approx. 650 employees who received a partial back-payment in December 2018 as outlined above.
- Determine coverage and classification for the remainder of current employees (this includes employees in WA, SA, First Aid Training Services, International Delegates and offshore roles).
- Following the above, work on back payment to the remaining current staff and ex-employees.

Management plans on communicating further with staff in the 3 Phases, as follows:

1. SCHADS & Retail award employees;
2. SA & WA – First Aid Training Services, International Delegates and offshore staff; and
3. Former employees

ASU Members effected by the underpayment of wages who have either not been written to or are not satisfied with the proposed resolution of their underpayment should get in touch ASAP with local ASU branch organisers and with individual member authorisation entitlements can be pursued further with Management at head office in Melbourne.

It pays to belong to the ASU – not a member yet?

If you're not a member of the ASU, you can join online now at our secure form www.asu.asn.au/asujoin. If you have any questions please contact your local ASU organiser or ASU representative:

Branch	Contact	Phone #
VIC	Leon Wiegard	03 9342 3400
TAS	Kath Ryman	03 9342 3400
QLD Services	Justine Moran	07 3844 5300
NSW/ACT Services	Jan Primrose	02 9310 4000
WA	Jill Hugo	08 9427 7777
SA/NT	Scott McFarlane	08 8363 1322

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