

Court orders city to pay back employees

**SOPHIE GANNON &
LIAM MURPHY**

The City of Stirling has been ordered to back pay past and present employees after the Industrial Magistrates Court found staff were underpaid due to a misinterpretation of an industrial agreement.

About 254 employees who were covered under the 2017 outside workforce agreement are expected to receive back pay, though the total amount owed is still being determined.

The issue first came to light in 2021 when a city employee lodged a claim alleging underpayment in breach of the city's outside workforce agreement.

The claim focused on wage increases during the 2018-19 and 2019-20 financial years, when the city raised wages by 2.2 per cent annually, believing this exceeded OWA requirements.

However, in June 2024, the court ruled the city should have



increased wages by 3.5 per cent in 2018-19 and 3 per cent in 2019-20, aligning with annual minimum wage increases set by the Fair Work Commission.

Magistrate Tim Kucera found the city liable for breaching the OWA but noted the relevant clause "could have been drafted more clearly."

The court ordered the city to pay the employee \$3492.28 in underpaid wages, plus \$611.77 in interest and imposed a \$10,000 penalty.

While Mr Kucera acknowledged the city contravened the Fair Work Act 2009 twice, he ruled the breaches were minor and without prior violations.

City of Stirling chief executive Stevan Rodic said the city respected the court's decision and had apologised to employees, describing the incident as a "difficult learning experience."

"The city is now seeking to back pay all of those workers who should have received higher wage

increases, including those who no longer work at the city," Mr Rodic said.

"The city's employees are its strongest asset and the city remains committed to treating and paying its employees fairly."

Mr Rodic said the claim was isolated to the two-year period and did not affect employees covered by other workforce agreements.

A spokesperson for the city said those affected would be contacted directly and would not be required to submit a claim, and the city is confident the agreement will prevent future discrepancies.

"The city expects that current employees will be paid within two months," the spokesperson said.

"It is likely to take longer to pay past employees as the city needs to contact each individual to confirm bank details.

"Current agreements have been simplified to ensure that the pay increases are clear, referring to a fixed percentage or CPI capped at a percentage."

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