

VIC – Wonthaggi & Phillip Island Record Keeping campaign: Final report July 2010

Summary

The Victorian office of the Fair Work Ombudsman has a rolling program to audit employers for compliance with their time and wage record keeping and pay slip obligations under the *Fair Work Act 2009* [the Act] and the *Fair Work Regulations 2009* [the Regulations].

A different location is targeted each month (see results of the recent audits below). In February 2010, we focused on various industries in the Wonthaggi, Phillip Island, Inverloch and general Bass Coast region.

For this campaign, Fair Work Inspectors conducted two educational seminars and visited 111 businesses in the area. We visited locations that included a mix of retail, hospitality and industrial businesses. We provided educational materials to the attendees at the seminars, and to business managers during the campaign. We undertook 90 audits of time and wage keeping records, pay slip details and wage payments, 82 have been finalised. A further eight remain ongoing.

Of the 82 audits finalised, 57 (70%) businesses were found to be complying with their record keeping and pay slip obligations. 25 (30%) were found to be in contravention. Of the 25 employers with contraventions, 21 had contravened record keeping and pay slip requirements, and 4 employers had underpaid employees.

To date, \$6,398 has been recovered for 12 employees.

We felt the education seminars, conducted at Wonthaggi and Cowes, were well appreciated, particularly by employers in these regional areas. Employers were generally forthcoming with information and interested to find out more about their workplace obligations. Of the audits finalised so far, we found the level of compliance to be high. However, we expect that investigations not complete at this stage are more likely to result in contraventions.

Background

The Fair Work Ombudsman has identified that a lack of accurate records is still a major obstacle to investigating complaints. Hence the focus of this targeted campaign is on record keeping and payslip obligations in shopping centres and industrial parks.

The approach used in this campaign, that is targeting a different location for two days each month, provides a low resource, high-impact method of raising

awareness amongst the small business community. It also enables the Fair Work Ombudsman to gather intelligence and test methodology for future campaigns.

Campaign aim and objectives

The aim of this campaign is to improve compliance with Commonwealth workplace laws by businesses in the Bass Coast region, and specifically to:

- Provide educational opportunities for businesses in the area, regarding recent changes in employment obligations, and specifically, their time and wages record keeping requirements under the Regulations
- To increase employers' awareness of the correct hourly rates of pay including penalties, loadings and allowances under the Act and relevant awards
- Send a message to the local community about the role of the FWO

Methodology

We obtained our objectives by contacting the key stakeholder – the Bass Coast Shire Council to advise them of the purpose of the campaign, and they forwarded information about our visits to businesses on their distribution lists. Prior to our arrival, local media outlets were advised of our visit.

In addition, the Shire Council assisted us with two seminars on workplace relations. The subject of the seminars was the transition to the Act, and specifically, the National Employment Standards [NES]. Approximately 30 business operators attended and they each received a pack of 'Best Practice Guides'. The Shire Council advised us that the seminars were well received and delivered on points relevant to small business operators.

We targeted locations which included a mix of retail, hospitality and industrial businesses, and visited 111 businesses in the area. At each visit we identified the manager and provided them with an information pack. We distributed approximately 111 information packs.

Where records were available on site for immediate audit, we completed them on the spot. We finalised 50 audits in this manner. Our inspectors assessed time, wage and pay slip records against the relevant industrial instrument. In the event of minor contraventions, we asked the employer to rectify them. For serious contraventions, we asked the employer to sign an undertaking to rectify.

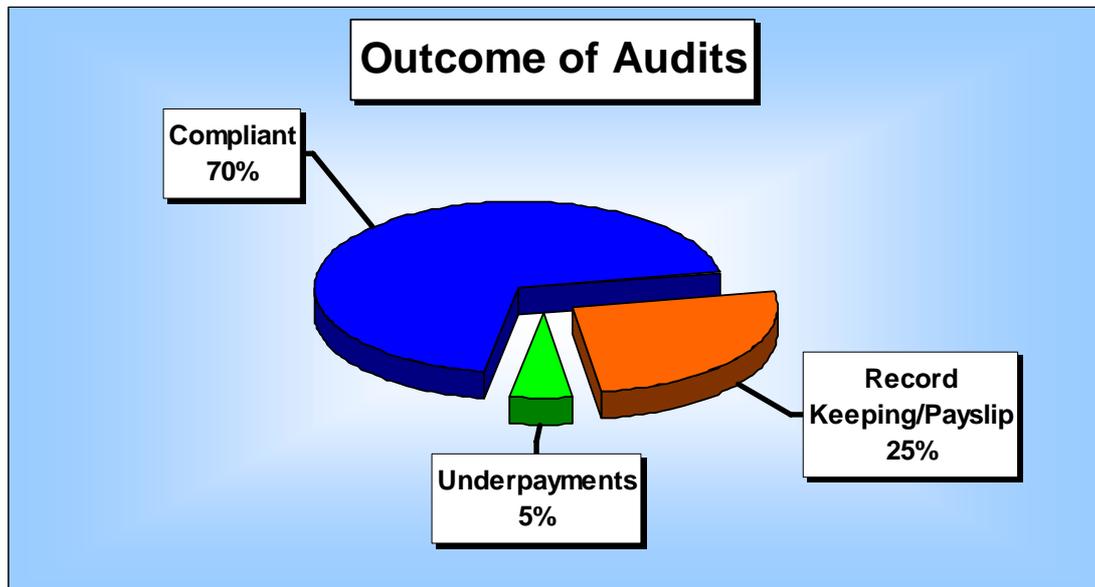
We also issued 61 formal requests for records to be provided to us for later inspection. Since February 2010, we have continued our audits as employers have provided records to us and any necessary investigations have been conducted. Eight matters have not been finalised to date.

Results

At 2 July 2010, when the results of this campaign were compiled, we had achieved the following:

- Held two seminars at Wonthaggi and Cowes which were attended by approximately 30 employers
- Conducted 111 site visits to businesses in locations which included a mix of retail, hospitality and industrial sectors

- 21 businesses were unsuitable for audit, as they did not have any employees or we were unable to contact them
- Of the 82 audits finalised to date:
 - 57 (70%) businesses were compliant
 - 21 (25%) contravened record keeping or pay slip requirements
 - 4 (5%) had underpayment contraventions



The underpayments found, assessed over a 12 month period, amounted to a total of \$6,398 and have been rectified on behalf of 12 employees.

8 businesses remain under investigation.

| Campaign outcomes | | |
|---|-----------------|------------|
| Businesses targeted for audit | | 111 |
| Not suitable for audit (no employees or not contactable) | | 21 |
| Audits finalised | | 82 |
| ▪ Employers compliant (no contraventions) | 57 (70%) | |
| ▪ Employers with contraventions | 25 (30%) | |
| Audits not yet finalised | | 8 |

Although we did not focus on monetary entitlements during this campaign, we did determine underpayments in four cases to date. As the underpayments were not substantial, appeared to be inadvertent and were voluntarily rectified, it was determined not to take further action.

Conclusions

This campaign was not a high profile event in the area, although there was limited coverage of the audits in the local paper and by the local government beforehand.

Limited coverage meant that there was not high attendance at the first seminar offered in Wonthaggi. Information provided to businesses during the second day of audits however meant that there was a higher attendance at the Cowes seminar.

Regardless of this, the seminars were a worthwhile opportunity to provide attending and interested employers with additional information and assistance regarding their obligations, particularly in relation to changes in workplace laws that have occurred since 1 January 2010. Undertaking the seminars did add to the planning and administrative workload for the program, but it was a worthwhile investment, particularly in regional and country areas.

While in many cases, employers were not expecting the visits, we did not encounter any issues throughout the time we spent in the area. Businesses were generally forthcoming with information, and interested to find out more about minimum entitlements and their workplace obligations.

The level of compliance, at 70%, is within the average range of compliance (70 – 80%). However, it should be noted that investigations not complete at this stage are more likely to result in contraventions than not.

As with previous audits, the majority of contraventions identified were associated with information required on payslips and record keeping obligations.

To date, all underpayments have been voluntarily rectified and employers have been educated to ensure ongoing compliance.

Read other related reports

- Vic/NSW Albury Wodonga Report <http://www.fwo.gov.au/Audits-and-campaigns/Documents/2010/VIC-NSW-Albury-Wodonga-Record-Keeping-Campaign.pdf>
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- Hamilton Report <http://www.fwo.gov.au/Audits-and-campaigns/Documents/2010/Victorian-Record-keeping-Campaign-Hamilton.pdf>
- Docklands Report <http://www.fwo.gov.au/Audits-and-campaigns/Documents/2010/VIC-Record-Keeping-campaign-update-Docklands-and-Southbank.pdf>

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