

SA STREET PRECINCT AUDIT PROGRAM

Final Report

Summary

In November 2010, the Fair Work Ombudsman conducted an education and compliance program targeting food outlets in major streets and shopping precincts of metropolitan and regional South Australia.

Fair Work Inspectors assessed compliance with time and wage record keeping requirements. Of the 237 employers assessed, 207 (87%) were found to be compliant whilst 29 (12%) were found to be in contravention.

During the program Fair Work Inspectors distributed various customised education and information material to assist businesses to remain compliant.

The majority of employers used various commercially available book-keeping software as part of their pay-roll functions. One of the key issues which emerged was that the various programs do not produce payslips which are compliant with current legislative requirements.

Background

Prior to SafeWork SA referring its Industrial Relations jurisdiction to the Commonwealth, it conducted various audits and claims investigations in food outlets in major streets and shopping precincts. This activity clearly identified this industry as being non compliant, with pay slips being a key area of concern. Further it had been identified that the majority of businesses employed a cross-section of casual and part-time employees, student and transient workers.

Aim

The aim of the program was to both educate food outlet workers and employers about their obligations, and ensure compliance with the provisions of the *Fair Work Act 2009* and the *Fair Work Regulations 2009* as they relate to the payslip obligations.

Scope

The compliance audit of food outlets were undertaken on the following streets and regional areas:

- Unley Road, Unley
- Belair Road, Hawthorn

- King William Road, Hyde Park
- The Parade, Norwood
- Glenelg tourist precinct, including Jetty Road
- Mount Gambier
- Whyalla

The definition of “food outlet” as it relates to this audit program included the following:

- Butcher shops
- Poultry shops
- Bakeries
- Fast food outlets
- Coffee stalls in shopping centres
- Coffee shops
- Fish and chip shops
- Restaurants
- Chicken shops

Stakeholder involvement

Prior to the commencement of the education and compliance campaign, we met with the following stakeholders to inform them of the campaign and seek their feedback.

- SA Unions
- Business SA
- Retailers Association
- Shop Distributive and Allied Employees Association.

Methodology

To assist us identify which employers were suitable for audit, we commenced the program by canvassing the selected streets and regions.

Whilst we wrote to some employers regarding their selection for audit and the requirement to produce time records and payslips for assessment, we also conducted unannounced visits to businesses. The correspondence sent to employers notifying them of the campaign also contained information on the tools and fact sheets available on the FWO website to assist them meet their payslip and record keeping obligations.

Between 1 and 14 November 2010 we visited and audited selected employers. Where employers were found to be in contravention we informed the employers and issued them with a compliance commitment form, a form which acknowledges that the employer has been made aware of the contravention and has undertaken to rectify it.

In conjunction with this audit, inspectors also visited and delivered more than 250 education packs to businesses in the retail sector throughout the metropolitan and regional areas prior to 25 December 2010. At the conclusion of the audit, inspectors re-visited employers to ensure compliance and provide additional employment information.

Results

Of the 240 targeted employers, three were found to be no longer trading and deemed as unsuitable for auditing. Of the remaining 237 employers, 207 (87%) employers were compliant and 29 (12%) were not meeting their payslip obligations. One audit remains to be finalised.

Emerging issues

A number of the employers audited were using various business or book keeping software programs available on the retail market. One of the key issues which emerged was that many of the programs do not produce payslips, which meet the legislative requirements.

Conclusion

Overall the campaign was successful as we were able to educate a large number of businesses regarding their time and wage record keeping obligations.

Although the results of the audits showed a high level of compliance, conversations with employers and employees indicated the need for further advice and information from the regulator in this area. It is possible that the sound results were due to employers receiving prior notice advising of the audit and detailing what was required in order to comply with the legislative requirements regarding record keeping and the provision and content of pay slips

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