

# SA/WA/NT Compliance Campaign

Report – February 2016

A report by the Fair Work Ombudsman under the *Fair Work Act 2009*

Date of Publication – February 2016

© Commonwealth of Australia, 2016



Australian Government

Fair Work  
OMBUDSMAN

# Contents

Contents.....	2
Campaign Snapshot.....	3
Summary.....	4
What we did.....	4
Outcomes.....	5
Further analysis.....	5
Other findings.....	6
Outcomes by State.....	6
South Australia.....	6
Western Australia.....	6
Northern Territory.....	7
Conclusion.....	7
About the Fair Work Ombudsman.....	8

# Campaign Snapshot

A total of

**160**

businesses were audited during the campaign

A total of

**49%**

were compliant with all requirements

A total of

**82%**

were compliant with record-keeping and pay slip requirements

A total of

**61%**

were compliant with pay rates

More than

**\$115k**

was recovered on behalf of 290 employees

# Summary

In August 2013, the Fair Work Ombudsman (FWO) commenced a Compliance Campaign in South Australia (SA), Western Australia (WA) and the Northern Territory (NT) (the campaign) – auditing a total of 160 businesses.

Fair Work Inspectors visited businesses and spoke to employers across SA, WA and the NT to assess compliance with Commonwealth workplace laws and to provide employers with information and resources to help them more easily comply.

Key outcomes of the campaign included:

- 61% of businesses were paying their employees correctly
- 82% of businesses were compliant with record-keeping and pay slip requirements.

A total of \$115,872 was recovered from 53 businesses on behalf of 290 employees.

## What we did

The campaign was conducted in three phases during August 2013, November 2013 and February 2014. During the three phases, Fair Work Inspectors visited 160 businesses across WA, SA and the NT.

Fair Work Inspectors provided employers advice about pay and conditions and talked through self-help resources available on FWO's website including [Pay Check Plus](#), [My Account](#) and [Record-keeping / Pay slip information](#).

FWO assessed each business's time and wage records to check compliance with the requirements of the *Fair Work Act 2009* (the Act) and the *Fair Work Regulations 2009* (the Regulations) and the applicable award:

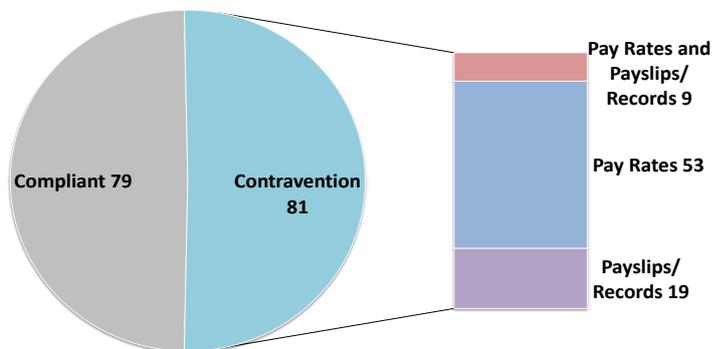
- where pay slip or record-keeping contraventions were identified we sought a written compliance undertaking from employers committing to follow correct practices in future.
- where underpayments were identified, we required the employer to rectify the underpayments and provide evidence of the back payments made.

# Outcomes

Of the 160 businesses assessed:

- 79 (49%) were compliant with all requirements
- 81 (51%) had at least one error, of which:
  - 53 (33%) had errors relating to pay rates
  - 19 (12%) had errors relating to records/pay slips
  - 9 (6%) concerned both pay slip/records and pay rates

**Chart 1: Audit results**



## Further analysis

Further analysis shows:

- 98 (61%) employers were paying their employees correctly
- 132 (82%) employers were compliant with record-keeping and pay slip requirements.

The 81 non-compliant businesses had a collective total of 101 individual errors, which included:

- 43% related to the underpayment of hourly rates
- 22% related to weekend penalties

FWO recovered a total of \$115,872 from 53 businesses on behalf of 290 employees. The amounts recovered from individual businesses ranged from \$10 to over \$45 000.

## Other findings

Additional observations include:

- uncertainty from businesses about which Award applied to them, and therefore, relevant pay rates (which included some employers incorrectly using Division 2b State Awards)
- failure of some employers to apply the annual wage increase
- application of full Modern Award rates instead of applying the phased rates applicable at the time

## Outcomes by State

### South Australia

Of the 102 businesses assessed in **South Australia**:

- 53 (52%) were compliant with all requirements
- 49 (48%) had made at least one error, of which:
  - 30 (29%) had errors relating to pay rates
  - 14 (14%) had errors relating to pay slips / record-keeping
  - 5 (5%) made errors concerning both pay slips / record-keeping and pay rates

A total of \$79,886 was recovered from 30 businesses, on behalf of 168 employees. This amount included a back payment of \$46,450 made by one business to 64 of their employees.

### Western Australia

Of the 49 businesses assessed in **Western Australia**:

- 22 (45%) were compliant with all requirements
- 27 (55%) had made at least one error, of which:
  - 21 (43%) had errors relating to pay rates
  - 4 (8%) had errors relating to payslips/records
  - 2 (4%) had errors relating to both pay slip/records and pay rates

A total of \$23,245 was recovered from 20 businesses on behalf of 98 employees.

## Northern Territory

Of the nine businesses assessed in the **Northern Territory**:

- 4 (44%) compliant with all requirements
- 5 (56%) had made at least one error, of which:
  - 2 (22%) had errors relating to pay rates
  - 1 (11%) had errors relating to payslips/records
  - 2 (22%) had made errors concerning both pay slips / record-keeping and pay rates

A total of \$12,741 was recovered from three businesses on behalf of 24 employees. This amount included a back payment of \$8,157 made by one business to eight of their employees.

## Conclusion

The findings of the campaign (82% compliance with pay slip and record-keeping obligations and 61% compliance with pay rates) indicate the need for FWO to provide ongoing support and assistance to businesses to improve and maintain compliance. This will be addressed chiefly through the National Compliance Monitoring program 2015 – 2016, which, in addition to assisting businesses to meet their obligations, will also ensure that specific compliance and enforcement measures are taken where repeated non-compliance is identified.

FWO will also continue to promote the services it provides to help businesses, specifically the tools and resources available at [www.fairwork.gov.au](http://www.fairwork.gov.au), in addition to the advice and assistance available through the Fair Work Infoline on 13 13 94.

# About the Fair Work Ombudsman

The Fair Work Ombudsman is an independent agency created by the *Fair Work Act 2009* on 1 July 2009. Our main role is to promote harmonious, productive and cooperative workplace relations.

Each year the Fair Work Ombudsman (FWO) runs proactive campaigns to assist employers and employees understand their rights and obligations under Commonwealth workplace relations laws. These campaigns can focus on particular industries, regions and/or labour market issues and are conducted on a national and state level.

This report covers the background, method and findings of the SA/WA/NT Compliance Campaign. For further information and media enquiries please contact the media team at [media@fwo.gov.au](mailto:media@fwo.gov.au)

If you would like further information about the Fair Work Ombudsman's campaigns please contact Lynda McAlary-Smith, Executive Director - Proactive Compliance and Education at [Lynda.McAlary-Smith@fwo.gov.au](mailto:Lynda.McAlary-Smith@fwo.gov.au)