



Australian Government

Fair Work OMBUDSMAN

Victorian Monthly Rolling Campaign 2010-2011 Seymour, Yea & Mansfield Final Report

Summary

In October 2010 the Fair Work Ombudsman (FWO) visited the Victorian regional towns of Seymour, Yea and Mansfield as part of the Victorian Monthly Rolling Campaign.

Fair Work Inspectors visited 82 employers across various industries assessing compliance with hourly rates of pay, pay slip and record keeping obligations. The majority (44) of the audits were conducted in Mansfield.

In addition Fair Work Inspectors conducted 52 educational visits to retail businesses as a lead up to FWO's National Retail Industry Campaign.

Of the 77 audits completed we identified 55 employers to be compliant and 22 to be in contravention. The majority (13) of the contraventions identified were a result of pay slips not meeting the *Fair Work Regulations 2009*.

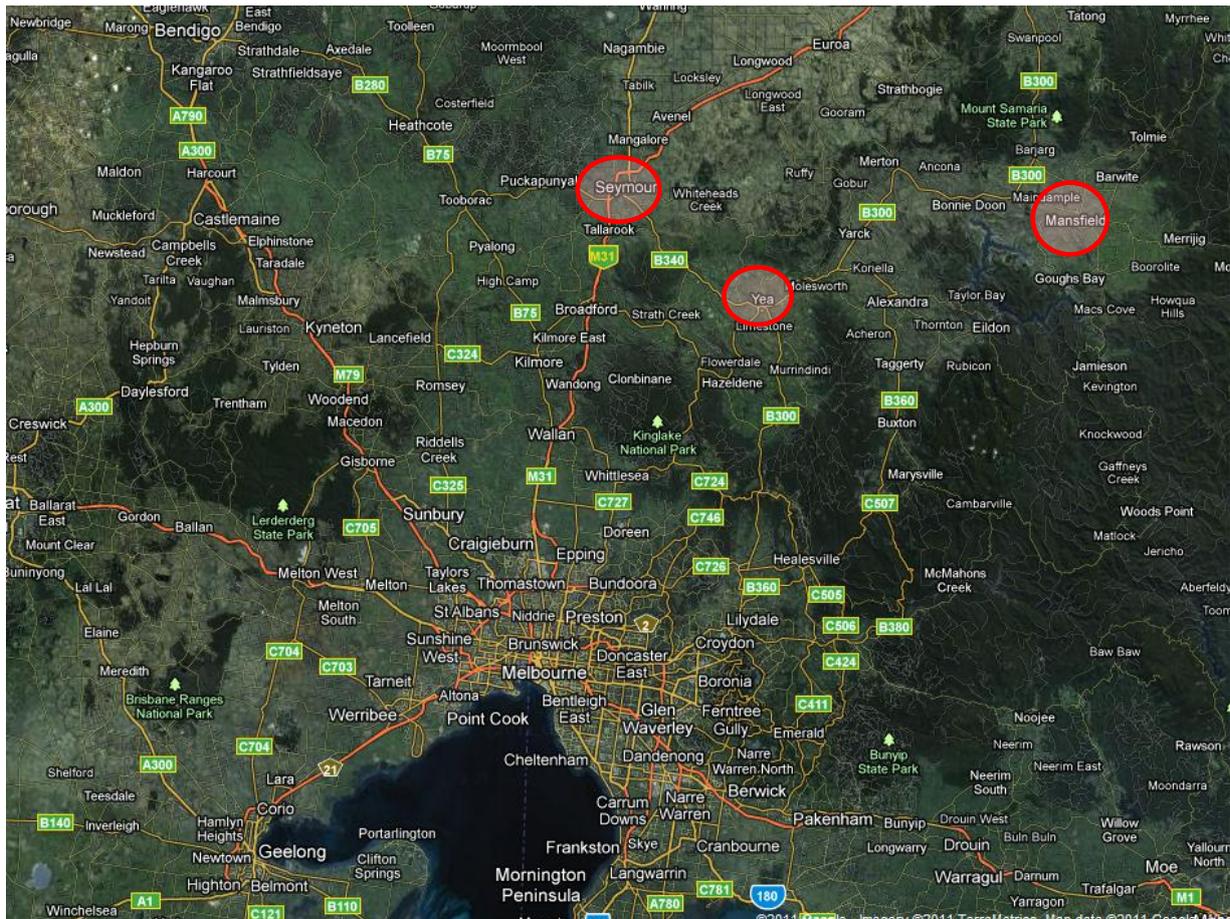
The audit program recovered \$2015 for 4 employees. Five audits remain outstanding with suspected contraventions.

Further information regarding the findings of this campaign can be found below.

Background

Over the past 2 years the Victorian Monthly Rolling Campaign has been successful in implementing compliance activities in a variety of industries and geographical regions across Victoria. The campaign has provided an opportunity to reach different industries and communities and educate them on and assess compliance with workplace laws each month.

The regions of Seymour, Yea and Mansfield were selected for audit because FWO had received complaints from these areas but had not undertaken any educational or audit activity targeting these areas for several years.



Map Sourced from Google Maps

Campaign aim & objectives

The aim of the Victorian Monthly Rolling Campaign has been to target a geographical area with a concentration of small businesses each month to ensure compliance with the *Fair Work Act (Act)*, *Fair Work Regulations (Regulations)* and an employer's relevant industrial instrument.

The specific objectives of the Seymour, Yea and Mansfield campaign were to:

- educate small business operators in and improve compliance with record keeping and pay slip obligations
- provide modern award transition advice to small employers
- promote the FWO small business aids/templates
- increase FWO's visible presence in the Seymour, Yea and Mansfield regions
- ensure compliance with Commonwealth workplace legislation

Methodology

Our method involved both written requests for records and site visits.

At the commencement of the campaign, requests for records were sent to 40 randomly selected businesses from the three towns. When records were received they were assessed and if contraventions were identified, employers were asked to rectify the contraventions and make any necessary back payments to employees.

Following the return date of the written requests, inspectors visited the targeted towns for two days with the purpose of conducting an onsite audit:

- of those employers who had not responded to the request for records
- of other employers located within the selected area

If records were not available on site a statutory notice requesting records was served.

As it was planned to conduct a national retail campaign in the early part of 2011, it was decided that retail businesses would receive an education visit only and not be audited.

All retail employers visited were provided with the opportunity to discuss their obligations, directed to FWO online tools and provided with a pack containing fact sheets together with a self audit checklist.

Results

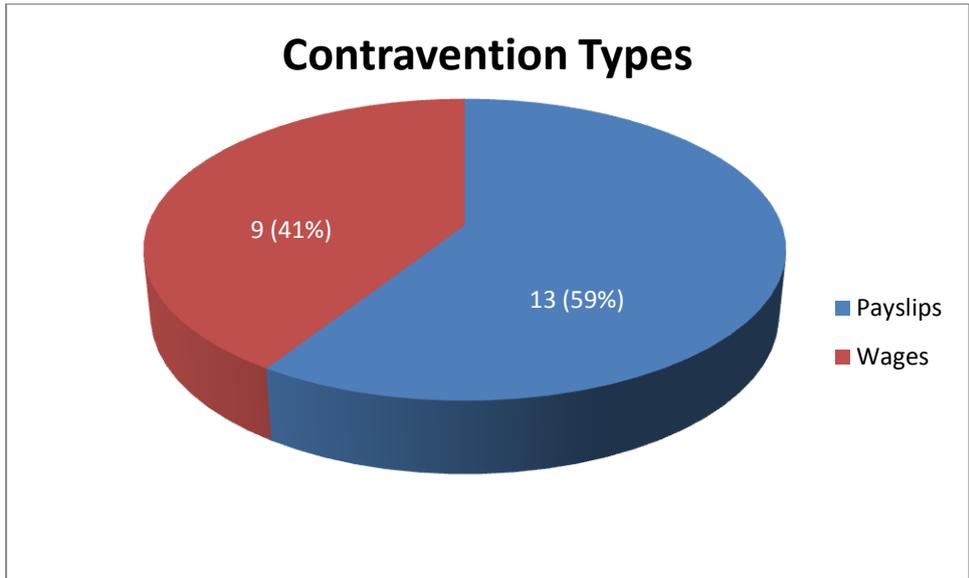
Statistical findings

On 30 August 2011, we compiled the results of this campaign. The analysis showed that we had completed 77 audits across various industry sectors and 52 educational visits to retail businesses. Of the 77 completed audits we identified 55 employers to be compliant and 22 to be in contravention.

The audit program recovered \$2015 for 4 employees. As five audits remain outstanding with suspected contraventions, these amounts are likely to change.

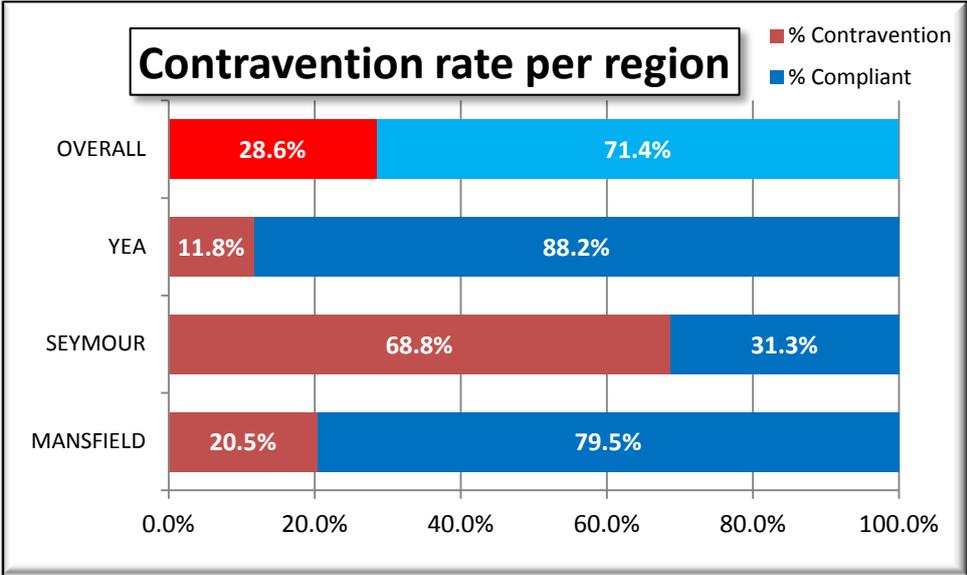
Results of Audits – Seymour, Yea and Mansfield	
Number of completed audits	77
• <i>Employers compliant</i>	55 (71%)
• <i>Employers in contravention (voluntary compliance)</i>	22(29%)
Total amount recovered	\$2015
Number of employees paid	4

Of the 22 employers in contravention, 13 were identified as having payslip contraventions. The remaining 9 employers recorded underpayment contraventions. These findings are illustrated in the chart below.



Regional findings

The chart below displays the contravention rates recorded in each of the regions.



The table below shows the actual number of audits conducted in each region and the corresponding rate of contravention. Seymour had the highest rate of contravention (68.8%) from the 16 audits undertaken, while Yea had the lowest rate (11.8%) from 17 audits undertaken. The highest number of audits was conducted in Mansfield.

Region	Audits completed	Employers in contravention	Contravention rate (%)
Mansfield	44	9	20.5%
Seymour	16	11	68.8%
Yea	17	2	11.8%
Overall	77	22	28.6%

Other findings

Although this was a small sample group, (77 employers audited), the overall contravention rate is similar to the findings of other Victorian Rolling Monthly campaign reports.

It should also be noted that almost every business in Yea was visited, while Seymour and Mansfield we visited only a sample number of businesses. Although there was a significant wage contravention rate, the actual underpayments were insignificant or non-existent. There were 7 instances where although underpayments were detected no money was recovered. This was due to the fact that we found that the employees concerned, were not financially disadvantaged because of their overall pay structure.

Similar to previous regional visits, we found that our Fair Work inspectors were generally well received, with most employers appreciating the opportunity to have their records checked for compliance and to receive advice and information to assist them to comply.

Fair Work Inspectors reported that there seemed to be a low level of awareness of FWO's online tools. Also there was a significant number of employers who stated that they did not have internet access and so could not utilise FWO's online services.

Conclusion

Although a large proportion of employers audited were found to be contravening aspects of the *Fair Work Act 2010*, *Fair Work Regulations 2010*, or their relevant award, the amount of underpayment was small and limited to very few employees. What we found were employers purposely paying higher rates of pay in an attempt to avoid underpaying their staff. This suggests that many employers remain unsure of their obligations.

These findings indicate that FWO needs to continue to promote the Fair Work message and to provide assistance to employers and employees through various strategies.

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