



Fair Work OMBUDSMAN

WA Peel Region Campaign 2010

Final Report

Summary

The Western Australian Peel Region is a popular tourist destination which is comprised of the Shires of Murray, Waroona, Boddington, Serpentine, Jarrahdale and the City of Mandurah.

In November 2010 Fair Work Inspectors commenced a campaign in the region to assess compliance with the *Fair Work Act (Act)* and *Fair Work Regulations (Regulations)* 2009. This was the first time that the FWO had undertaken any audit activity in the region.

Of the 40 audits completed 23 (57%) employers were found to be compliant whilst 17 (43%) were found to have contraventions. The audit recovered \$13 585 for 42 underpaid workers.

Further findings are detailed below.

Background

The Peel Region is comprised of small to medium sized businesses in the Mandurah area and large national and international businesses in the Waroona, Boddington and Serpentine/Jarrahdale areas. The industry sectors within the region are diverse.

A campaign in the area was implemented as a result of the region not being subject to a previous audit activity and the fact that it would provide a good opportunity to promote the FWO's role to the diverse business demographics of the region.

Campaign aim & objectives

The aim of the campaign was to assess compliance with the *Act*, *Regulations* and applicable instruments across the diverse industry sectors in the Peel Region of Western Australia.

The specific campaign objectives were to;

- educate employers of their record keeping, payslip and hourly rates of pay obligations
- assess compliance with record keeping, payslip and hourly rates of pay obligations
- promote the role and services of the FWO to Peel Region employers

Stakeholder involvement

In November 2010 we notified the following stakeholders about the campaign via telephone and written correspondence and sought their feedback:

- Small Business Centres
- Chambers of Commerce and Industry
- Federal Members for regions involved

Methodology

Utilising Australian Business Register search engines, we selected employers for audit.

We wrote to the selected employers in December 2010 to advise them of the campaign, their selection for audit and provided details of the employment records they needed to send to FWO for assessment. Where an employer did not voluntarily provide employment records, we issued him/her with a statutory notice for the production of the records.

Once we received the records we conducted an initial assessment. Those employers with suspected contraventions were further investigated.

All employers received written notification of the outcome of their audit. Those employers found to have contraventions also received written information on how they could voluntarily rectify the identified contravention(s).

All employers audited also received an education pack containing fact sheets and details of where they can access further information regarding their obligations.

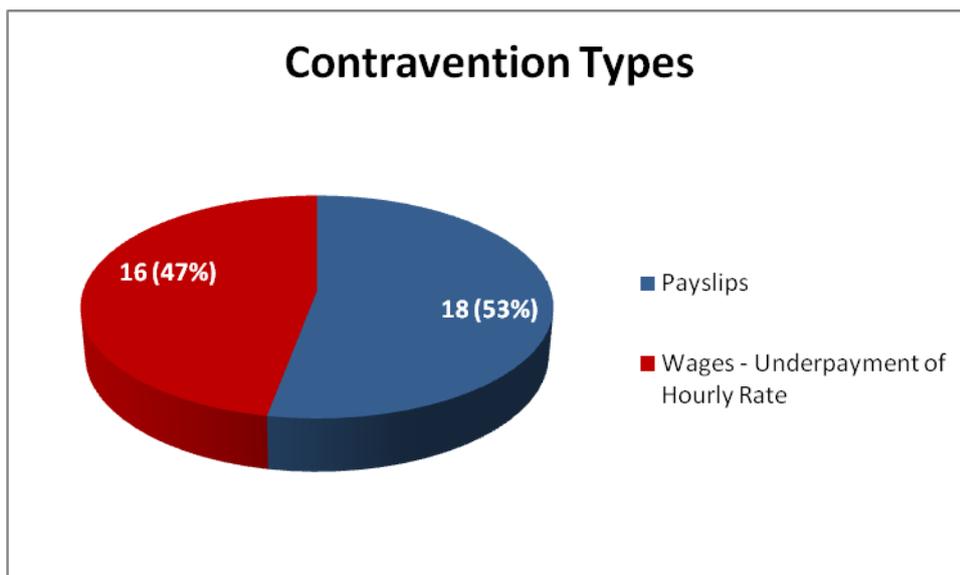
Results

Statistical findings

At 23 August 2011 we had finalised 40 of the 41 audits commenced. Of the completed audits we found 23 employers to be compliant and 17 to be in contravention.

One audit remains ongoing.

Status of Audits – WA Peel Region Campaign 2011	
Number of audits finalised	40
• <i>Employers compliant</i>	<i>23 (57%)</i>
• <i>Employers in contravention (voluntary compliance)</i>	<i>17 (43%)</i>
Total amount recovered	\$13,585
Number of employees paid	42



Other findings

As depicted in the chart above, the majority of the contraventions related to the non-compliance of pay slip obligations.. Pay slip contraventions often resulted from employers not issuing pay slips, or issuing pay slips which did not contain the prescribed content as per the *Regulations*.

Many businesses, 16 (47%) were found to have unintentionally underpaid staff. Some employers were not confident in their understanding of the award and others were not aware of the introduction of the modern awards and consequently underpayments arose.

In conducting this campaign we noted that many of the compliant employers engaged an employer association or accountant to assist them understand and meet their obligations under the relevant instrument.

Conclusion

The audit results obtained in this campaign highlight the ongoing need for the FWO to continue with compliance audits across various regions and industry groups. Further the campaign demonstrates that audits are a good mechanism in not only detecting underpayments or contraventions of pay slips and time and wage record requirements, but are an extremely valuable tool in educating employers.

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