



# Fair Work OMBUDSMAN

## WA – Rottnest Island Compliance Program 2010 Final Report

### Summary

Western Australia's Rottnest Island is a popular tourist destination. Attracting in excess of 500 000 domestic and international visitors each year the island is famous for diving, snorkelling, cycling and other beach activities.

As the island is home to a relatively small population, island employers employ a number of transient workers including young workers during the peak summer season. During December 2010 the FWO completed an education and compliance program on the island.

A total of 26 employers were selected for audit and had their records assessed for compliance with record keeping and minimum hourly rates of pay obligations. Of the 25 audits finalised 15 employers were found to be compliant and 10 were in contravention.

We recovered \$24,187 for 87 underpaid employees as a result of this program.

Further program findings are detailed below.

### Background

With a small permanent population that resides on the island a significant amount of employment is undertaken by transient employees during the summer season. Such groups of employees are considered to be 'vulnerable' by FWO.

In further support of the program, we identified that only one island employer had previously been subject to a FWO compliance activity.

It is also worth noting that the majority of employers on or connected with the island operate in the hospitality industry, which previous audit and complaint activity has identified to be an industry which has a higher level of non-compliance compared to most others.

We therefore considered that, a compliance program of Rottnest Island employers presented a good opportunity to assess compliance with the *Fair Work Act 2009 (Act)* and *Fair Work Regulations 2009 (Regulations)*, and to educate employers on modern awards.

### Program aim & objectives

The aim of the program was to educate employers on and assess compliance with modern awards.

The specific objectives were to;

- Engage external stakeholders in relation to the program
- Educate employers on their obligations

- Conduct an audit of time and wage records assessing compliance with the relevant industrial instrument; and
- Assist employers voluntarily comply with their Commonwealth workplace obligations, specifically the base rate of pay.

## Stakeholder involvement

In November 2010 the Rottnest Island Authority (RIA) and the Rottnest Island Business Community Inc, otherwise known as 'Team Rottnest', were advised in writing of the program prior to its commencement. We also met with the RIA to further discuss our program and share information.

## Methodology

In November 2010, we wrote to Rottnest Island employers to notify them of the program. The correspondence advised employers that field visits would be conducted on 15 December 2010, and that if they did not maintain a business premises on Rottnest Island, or wished to meet at an alternate location, to contact the FWO accordingly, to arrange the inspection of records.

A number of the businesses had business premises in Fremantle. We therefore also carried out field visits on the 14 and 16 December 2010 to meet with these employers, inspect their records and educate them on their obligations.

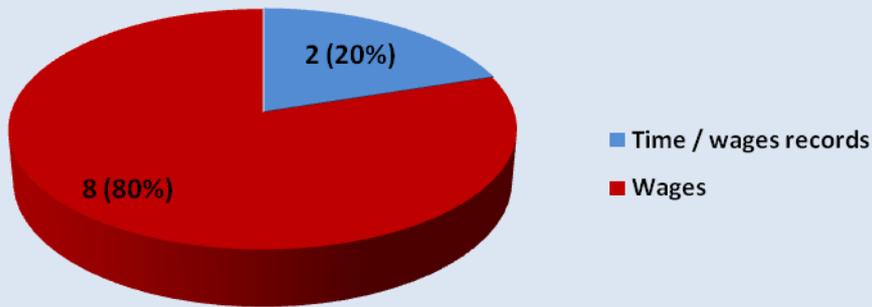
Employers found to be compliant were notified in writing of the outcome of their audit. Where we suspected contraventions we undertook further investigation and provided written notification of our findings.

## Results

Of the 25 employers for whom audits have been completed we found 15 (60%) to be compliant and 10 (40%) to be in contravention. As a result of these audits we recovered \$24,187 for 87 underpaid employees. One audit remains ongoing.

<b>Status of Audits – Rottnest Island Audit Program</b>	
Number of employers audited	<b>26</b>
Audits finalised	<b>25</b>
<ul style="list-style-type: none"> <li>• <i>Employers compliant</i></li> </ul>	<b>15 (60%)</b>
<ul style="list-style-type: none"> <li>• <i>Employers in contravention (voluntary compliance)</i></li> </ul>	<b>10 (40%)</b>
Total amount recovered	<b>\$24,187</b>
Number of employees paid	<b>87</b>
Audits outstanding	<b>1</b>

## Contravention Types



### Analysis

As can be seen from the chart above, the non compliant employers mainly had wage contraventions. Of interest is that the employers with monetary contraventions were medium to large sized businesses in industries which the FWO had not previously audited, in particular the tourist industry.

### Conclusion

The educational benefits of the program were far reaching as many of the employers audited operate other businesses in Western Australia. Many had not had previous contact with the FWO or were not aware of the services, resources and tools offered by the agency.

Based on the results of this program we consider it is in the public interest that Fair Work Inspectors return to Rottneest Island businesses in the future to conduct follow up visits.

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