



Fair Work OMBUDSMAN

Victorian Monthly Rolling Campaign 2010-2011 Warehousing (Footscray –Laverton) Final Report

Summary

In October 2010, Fair Work Inspectors completed an audit of the Victorian warehousing industry. Based on intelligence received by the Fair Work Ombudsman, as well as the fact that the industry had not been subject to a previous compliance activity, an audit was conducted. Fair Work Inspectors specifically focussed on conducting audits in the suburbs of Footscray and Laverton as these areas are a major centre for the warehousing industry.

The audits, which formed part of the Victorian Monthly Rolling Campaign 2010- 2011, assessed compliance with record keeping obligations and hourly rates of pay.

Fair Work Inspectors (FWIs) audited 49 employers. The audit identified 38 employers to be compliant and 11 to be in contravention. A total of \$54,213 has been recovered for 51 employees. In addition, there are a further seven audits which remain ongoing.

Background

Over the past two 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 warehousing industry was deliberately included as part of this campaign as FWO intelligence identified that the industry would benefit from a compliance activity especially given that it had not been selected for audit as part of any previous compliance campaign.

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 Warehousing (Footscray – Laverton) audit 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 Footscray and Laverton
- Ensure compliance with Commonwealth workplace legislation

Methodology

A potential audit list was compiled by searching the Australian Business Register for the businesses operating warehouse facilities in the Footscray and Laverton areas.

From this list, we randomly selected 40 businesses for audit. We wrote to these businesses to inform them of their selection as well as advise what records that they would need to return to us for assessment.

Fair Work Inspectors also completed random unannounced site audits in Footscray and Laverton. Employers who received a site audit were not provided with prior warning of the audit.

Fair Work Inspectors assessed the records that were sent back to the office as well as the records they inspected on site for compliance with record keeping obligations and hourly rates of pay.

Where non-monetary contraventions were found, employers were advised of their obligations and how the contraventions could be corrected.

Where monetary contraventions were found, employers were required to review their wage records for the previous year and rectify any underpayments.

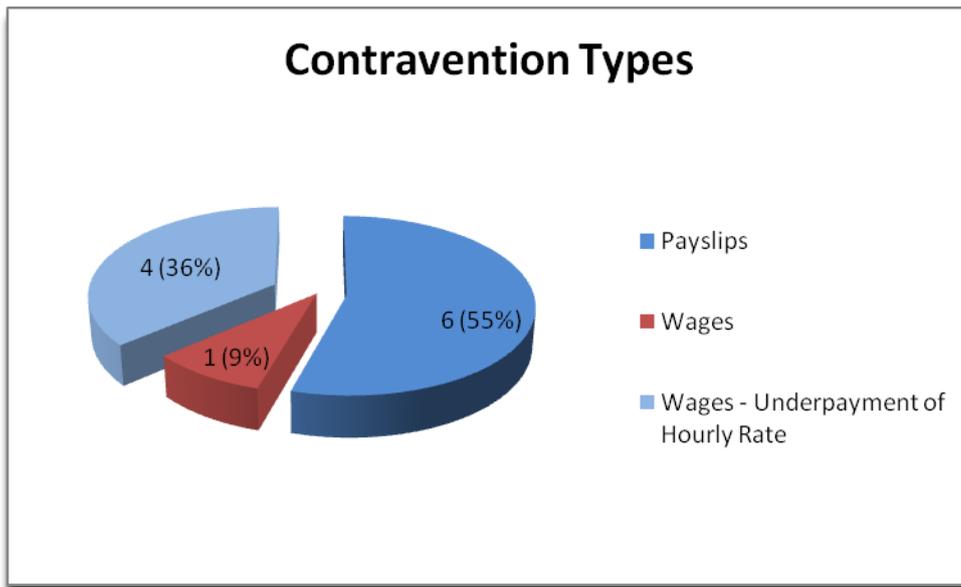
Where contraventions were found, these were used as a vehicle to introduce FWO small business aids and templates to assist future compliance. In addition, several business operators indicated that they did not currently employ, but were intending to employ in the future. These operators were also provided with information and given a quick tour of online tools when access was available.

Results

As at 25 July 2011, when the results of this campaign were compiled, we had selected 83 employers to audit, however, only 56 employers could be audited as 27 businesses were not suitable for audit.

Of the 49 audits we have completed we identified 38 employers to be compliant and 11 to be in contravention. A total of \$54,213 was recovered for 51 employees.

Status of Audits – Warehousing (Footscray-Laverton)	
Audits finalised	49
• <i>Employers compliant</i>	38 (78%)
• <i>Employers in contravention (voluntary compliance)</i>	11 (22%)
Ongoing investigations	7
Total amount recovered	\$54,213
Number of employees paid	51



The results for this campaign are quite pleasing. We found the target group to be largely compliant with their obligations with the majority of employers paying their staff correctly and only 5 (45%) employers underpaying wages. A total of 6 (55%) employers were identified as having payslip contraventions. In most cases the payslip contraventions occurred due to the employer not including the Australian Business Number on the payslip, a relatively recent addition to the regulations.

Conclusion

Overall the campaign was successful in meeting its objectives. The compliance levels within the industry are encouraging.

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