



Fair Work

OMBUDSMAN

Victorian Monthly Rolling Campaign

April 2010 – Braeside, Coburg and Reservoir

Report October 2010

Summary

The Victorian office of the Fair Work Ombudsman has a rolling program to audit employers in shopping centres and industrial parks for compliance with time and wage record keeping and pay slips obligations under the *Fair Work Act 2009* and the *Fair Work Regulations 2009*.

Each month we select a different geographical location for auditing. This report provides a summary of the April 2010 audits which occurred in the areas of Braeside, Coburg and Reservoir. A number of the employers audited in the area operate industrial/manufacturing businesses.

Of the 136 businesses audited, we found 35 to be in contravention. Of those in contravention, we identified approximately 91% as having both record keeping and pay slip contraventions. We identified an additional 3 of the businesses as having underpaid their staff. In total, \$17,317.00 was recovered for 9 employees.

Further results and findings regarding the campaign are detailed below.

Background

Our Fair Work Inspectors rely upon evidence such as time records and pay slips when investigating complaints. Given the investigation obstacles which exist when such documents are not maintained, a time records and pay slips audit was implemented to assess employers' compliance with their time record and pay slip obligations.

The approach we used in this campaign, provides a low resource, high-impact method of raising awareness amongst the small business community. It also enables us to gather intelligence and test methodology for future campaigns.

Campaign aim & objectives

The aims and objectives of this campaign were as follows;

- Improve compliance with Commonwealth workplace laws for businesses operating in the Industrial Parks within the Braeside and Coburg and Reservoir regions.
- Educate small business operators' on their record keeping and pay slip obligations
- Promote the Fair Work Ombudsman's Small Business tools and templates
- Increase the Fair Work Ombudsman's visible presence in selected geographical areas
- Gather intelligence and trial methodology in preparation for future targeted campaigns.
- Provide information about recent legislation changes and Modern Awards

Methodology

We used the same audit methodology for this April campaign in Braeside, Coburg and Reservoir region as for previous rolling campaigns.

We undertook the Braeside audits on the 14 and 15 April 2010 and the Coburg and Reservoir audits on the 28 and 29 of April 2010. Spending two days auditing in each location, is an efficient and yet high impact strategy to raise awareness of time and wage record and pay slip obligations to the businesses operating within the targeted locations.

Overall we visited 179 employers within the Braeside, Coburg and Reservoir region and provided each of them with an information pack. All businesses within the targeted areas were visited.

Once we had identified the manager of each business we requested to see their time and wage records. Where records were available, we assessed time and wage and payslip records against the relevant time and wage regulations. In the case that minor contravention(s) were identified we asked the employer to rectify the contravention(s).

For serious contraventions we asked the employer to sign a compliance commitment form to rectify the contravention(s).

If there was insufficient information available to make a decision, we issued a formal request for records on the employer and requested the records to be sent to our office for assessment. If the employer failed to respond to this request we further investigated the matter.

Results

Statistical findings

As at 30 September 2010, the findings are as follows:

- Distributed 167 Information packs to employers in the Braeside, Coburg and Reservoir industrial areas.

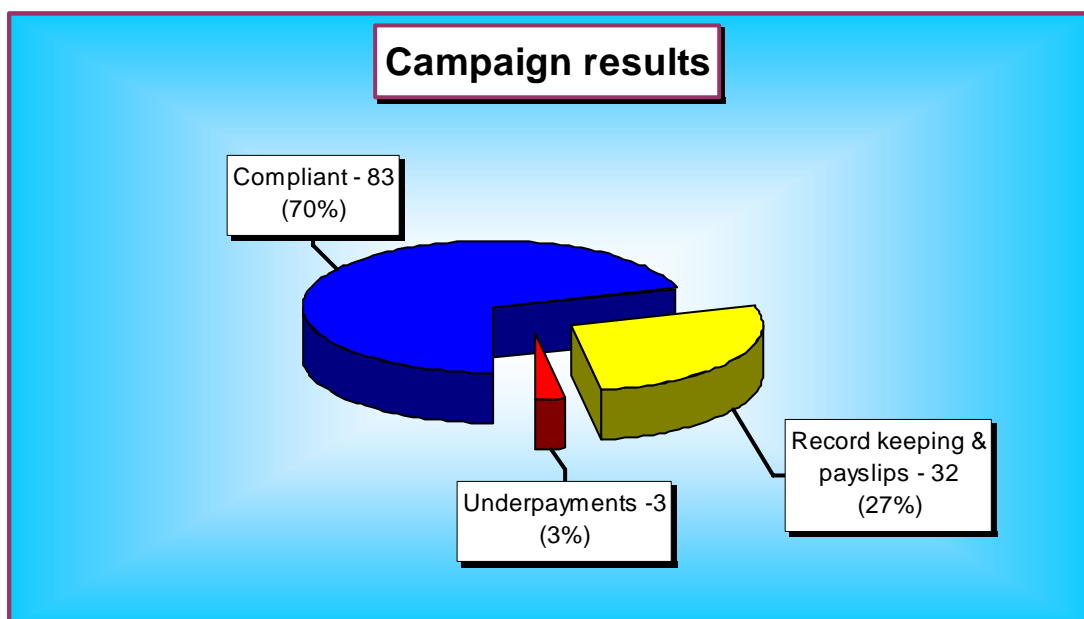
- Audited 124 of the 167 employers visited. The other 43 employers did not employ any employees.
- Finalised 118 audits
- 6 audits remain outstanding, as we are assessing further information to ensure compliance with the correct hourly rates of pay.

Status of audits	
Number of businesses visited	167
Number of audits undertaken	124
Number audited finalised	118
▪ <i>Compliant</i>	83 (70%)
▪ <i>Contravention</i>	35 (30%)
Audits yet to be finalised	6
Total amount recovered	
	\$17,317
Employees Paid	
	9

- 35 of the 118 (30%) employers audited were found to be in contravention
 - 32 of the 35 employers were identified as having technical breaches for both record keeping and pay slip contraventions
 - 3 other employers were found to have underpaid employees.
- A total of \$17,317.00 has been recovered on behalf of 9 employees.

Although we did not focus on monetary entitlements during this campaign, 3 employers were found to be underpaying the minimum rate and/or not paying penalty rates for evening and weekend work. The largest underpayment was \$15,325 for 6 employees of one employer.

The chart below summarises the campaign results:



Other findings -

This audit program showed that record keeping and pay slips are still an issue, as 27% of employers audited were not complying with these requirements. However, most contraventions were minor, mainly relating to pay slip content as prescribed by the regulations.

Our inspectors also noted that the majority of the employers maintained and kept employment records on site.

Conclusion

This audit program once again presented us with an excellent opportunity to further educate employers on their rights and obligations under the new legislative changes. All contraventions were voluntarily rectified and employers were advised of sources of information and options to ensure the contraventions are not repeated.

When compared to the February 2010 Monthly Rolling Campaign which occurred in Wonthaggi and Phillip Island, both monthly campaigns found 30% of employers audited to be in contravention. In both instances, non compliance with record keeping and pay slip obligations formed the majority of the contraventions identified.

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