

Victoria – Corryong & Wangaratta Educational Campaign - November 2010

Final Report

Summary

Bendigo Fair Work Inspectors (FWIs) undertook the Corryong and Wangaratta Educational Campaign in November 2010 after receiving numerous wage complaints from employees working in the region.

Employers in the towns of Corryong, Tallangatta and Wangaratta were visited by FWIs who provided information packs and engaged in one-on-one discussions with employers on how the recent legislative changes impact the employer's business. Of the 48 businesses visited, 29 businesses operating within the accommodation, hospitality, hairdressing, vehicle and fast food industries were also randomly selected for audit.

FWIs assessed employers' compliance with time and wage record keeping obligations as well as minimum hourly rates. Of the 29 businesses audited 12 (41%) employers were compliant, 11(38%) employers had record keeping contraventions and 6 (21%) employers were identified as having underpayment contraventions. A total of \$12,207 has been recovered for 10 employees.

Further information relating to the findings are detailed below.

Background

Due to an increase in the number of wage complaints received by the Bendigo office from the towns of Corryong, Tallangatta and Wangaratta, it was identified that an education campaign in the area was required.

Campaign aim & objectives

The aim of this campaign was to educate regional Victorian employers on and improve their compliance with Commonwealth workplace laws. The specific objectives were to;

- educate small business on the recent changes to awards
- educate small business operators on and ensure compliance with record keeping and pay slip obligations
- ensure employers are paying employees the correct rates of pay
- promote the FWO's small business tools and templates
- increase the FWO's visible presence in selected areas

Stakeholder involvement

Prior to undertaking the campaign we contacted the Towong Shire Council and Wangaratta City Council to notify them of the campaign as well as provide them details regarding what the audits would involve.

Methodology

Days before the FWI visits we organised for campaign media articles to be published in the local papers. The articles informed the community of the visits and what the audit aspect of the campaign would involve. The articles proved to be successful in notifying the community as nearly all businesses that we visited informed us that they were expecting our visit.

On the 9 November 2010 FWIs doorknocked 13 Tallangatta businesses. Whilst all 13 businesses were provided with an educational visit we randomly selected 5 businesses for audit.

On 10 November 2010, we visited 20 Corryong businesses. Of the 20 businesses we conducted education visits for, 11 businesses were selected for audit.

Fifteen Wangaratta employers were visited and provided with education on the new legislation on 11 November 2011. We selected 13 of these employers for random audits.

Regarding the businesses that were selected for audit, if records were available on the premise, FWIs assessed time and wage records as well as hourly rates of pay for compliance with the *Fair Work Act 2009 and Fair Work Regulations 2009*. If contraventions were identified employers were advised in writing and asked to voluntarily rectify the contraventions.

If records were not available at the time of the visit, employers were issued with a statutory notice advising of their requirement to provide documentation to the FWI. Upon receipt of the documentation a desk based audit was undertaken.

Where employers were found to be compliant, they received written notification of the outcome of their audit and the audit finalised.

Results

At 1 April 2011, when the results of this campaign were compiled, we had achieved the following:

- 48 businesses were visited by FWIs during the campaign
- 29 of these employers had their time and wage records audited

Of the 29 employers audited;

- 12 employers were found to be compliant
- 17 employers were found to be in contravention specifically;
- 11 businesses were found to have time and wage record and/or payslip contraventions
- 6 employers were identified as having contravened award entitlements
- A total of \$12,207 was recovered for 10 employees

Status of Audits	
Number of Visits	48
Number of employers audited	29
Number of Compliant Employers	12 (41%)
Employers in contravention	17 (59%)
<ul style="list-style-type: none"> • <i>Employers with monetary contraventions</i> 	6
<ul style="list-style-type: none"> • <i>Employers with time/wage record keeping contraventions</i> 	11
Total amount recovered to date	\$12,207
Number of employees paid to date	10

Other Findings

The majority of employers audited (59%) were found to be in contravention of the legislation. In terms of the contraventions identified, the majority of the payslip contraventions identified were attributed to employers not including Superannuation details on employee's payslips.

The employers identified as having monetary contraventions were found to have underpaid minimum hourly rates and penalty rates. One employer was also found to be incorrectly calculating employee leave entitlements. All employers voluntarily rectified contraventions.

Tallangatta had the highest rate of monetary contraventions (40%) with two of the five businesses audited recording underpayments.

Wangaratta had the highest rate of time/wage record keeping contraventions with 46% of the 13 employers audited contravening record keeping requirements.

The below table summarises audits undertaken in each regional centre;

Regional centre	Audits conducted	Time/wage record contraventions (% rate)	Underpayment contraventions (% rate)
Corryong	11	4 (36%)	2 (18%)
Tallangatta	5	1 (20%)	2 (40%)
Wangaratta	13	6 (46%)	2 (15%)
Totals	29	11 (38%)	6 (21%)

The majority of the employers visited operated small businesses which employed one or two staff. Many of the businesses relied on their accountants to provide them with information on the *Fair Work Act* and awards.

Conclusion

The campaign was worthwhile in that we were able to educate numerous employers who were not aware of the changes under the *Fair Work Act 2009*. The contravention rate suggests that further work in the region may be of benefit to the business community.

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