

SA – McLaren Vale / Barossa Valley Winery Audit Program 2010

Final Report March 2011

Summary

In November 2010 the Fair Work Ombudsman (FWO) conducted the McLaren Vale/ Barossa Valley Winery Audit Program. Fair Work Inspectors visited a total of 71 businesses with the intent of assessing compliance with record keeping and pay slip obligations. Fair Work Inspectors also took the opportunity to speak with employers about Commonwealth workplace laws and to provide them with relevant educational materials.

Of the 71 businesses visited, 62 were audited. Of the 62 audited, 40 (65%) were found to be compliant with pay slip and record keeping obligations, whilst 22 (35%) were found to be in contravention. Although the audits were primarily concerned with pay slip and record keeping obligations, one employer was identified as having underpaid weekend penalty rates.

Whilst some businesses were unaware of and non compliant with the minimum pay slip and record keeping requirements, once informed of their obligations they gave a commitment to adjusting their practices in line with *Fair Work Regulations 2009*. All contraventions were voluntarily rectified.

Background

The South Australian wine industry is one of the state's most renowned industries. Over the past decade it has been subject to a range of challenges including increasing levels of global competition, cycles of drought, ongoing water security issues and climate change. These challenges have had an impact on all facets of business including employment practices. According to Australian Bureau of Statistics data, the wine industry in South Australia employed 11,977 people in 2001 and this is estimated to have increased to 17,000 in 2010. It is an industry that competes globally and as a result may attract downward pressure on wages and therefore, may be subject to the risk of non-compliant employment practices.

Aim and objectives

The aim of the program was to assess and encourage compliance with record keeping and pay slip obligations in the South Australian wine industry.

The specific objectives were as follows;

- audit the level of compliance with a targeted number of employers, specifically, in relation to pay slip and record keeping obligations

- provide employers with information and guidance where necessary to assist them to meet their obligations under federal legislation and
- to promote the role of the FWO.

Stakeholder involvement

Prior to commencing the audits we met with the SA Wine Industry Association to inform, explain and seek their assistance and cooperation with the program. We also met with SafeWork SA to share and obtain intelligence on potential businesses of interest.

Methodology

We identified and selected employers for audit from the Yellow Pages and various tourism websites. We advised these employers in writing about the purpose of the program and that they had been selected for audit. The letter informed them of the date they would be visited and what records they would need to have available for assessment.

Fair work Inspectors undertook the audits between 15 to 19 November 2010.

Besides undertaking the assessment of records, we provided all employers with information regarding workplace obligations. Employers were provided with a report of our findings and actions.

Where we identified record keeping and/or pay slip contraventions the Fair Work Inspector asked the employer to sign a compliance commitment form agreeing to rectify the contravention.

Where monetary contraventions were identified, the FWI took the relevant records back to the office for further assessment.

Results

The results of this program (compiled on the 9 March 2011), show that we visited 71 employers for audit. However, as 9 businesses had no employees we completed 62 audits.

Of the 62 audits that we finalised we found:

- 40 (65%) businesses were compliant
- 22 (35%) businesses were in contravention of the *Fair Work Act and Regulations 2009*

From the 22 businesses found to be in contravention, 21 employers were identified as having record keeping contraventions and one employer was found to have underpaid 10 of his staff weekend penalty rates. Consequently, we recovered \$15,091 for the 10 affected employees.

Result of audits	
Employers Visited	71
Unable to audit	9
<ul style="list-style-type: none"> <i>No employees</i> 	9
Audits finalised	62
<ul style="list-style-type: none"> <i>Businesses compliant</i> 	40 (65%)
<ul style="list-style-type: none"> <i>Businesses in contravention</i> 	22 (35%)
Money Recovered	\$15,901
Employees paid	10

Conclusion

This program was successful in determining the compliance rate with payslip and record keeping requirements in the South Australian wine industry. The finding of a 65% compliance rate and the 100% level of voluntary compliance are encouraging signs that the industry is taking its obligations seriously.

Conducting audits in the field provided an ideal opportunity to provide employers with further information and guidance on federal legislation. We anticipate that this should contribute to the ongoing compliance level within the South Australian industry sector.

Finally, we consider this program was successful in raising the FWO's profile and community's understanding of the FWO's educative and compliance role.