



Fair Work
OMBUDSMAN

Melbourne CBD education and compliance program 2013

Final report – May 2014

A report by the Fair Work Ombudsman under the
Fair Work Act 2009.

Melbourne CBD education and compliance program 2013 - Final report May 2014

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Performance snapshot

Total of
217

businesses were visited

We found
95%

of employers were paying their
employees correctly

More than
\$20k

recovered on behalf of 23
employees

We found
88%

of employers were compliant
with pay slip and record-
keeping requirements

Summary

The Fair Work Ombudsman (FWO) commenced the Melbourne central business district (CBD) education and compliance program (the program) in June 2013.

The program aimed to promote and review compliance with Australia's workplace laws.

Fair Work Inspectors visited over 200 businesses, mainly in the retail sector. We spoke with employers about their obligations and provided them with resources and information to assist them with compliance.

We also assessed a sample of their time and wage records to check pay slip and record-keeping practices and ensure employees were being paid correctly.

In assessing time and wage records we found:

- 207 (95%) businesses were paying their employees correctly
- 192 (88%) businesses were meeting their pay slip and record keeping requirements.

We recovered a total \$20 616 on behalf of 23 employees.

Purpose of the program

The specific objectives of the campaign were to:

- assess compliance with record-keeping and pay slip requirements of the *Fair Work Act 2009* (the Act) and the *Fair Work Regulations 2009* (the Regulations)
- review time and wage records to ensure employees were receiving the correct rates of pay

- promote the role of the Fair Work Ombudsman (FWO) and the resources we make available to assist businesses, particularly our online tools and resources.

Why did we conduct the program?

Issuing staff with detailed pay slips and keeping accurate employee records helps employees to both understand and check their entitlements.

In addition to promoting pay slip and record-keeping compliance we also wanted to check the entitlements of casual workers.

Melbourne CBD was selected given the high concentration of retail businesses and potentially high number of casual workers.

What did we do?

We visited 217 businesses across the Melbourne CBD. We spoke with employers about their obligations and we assessed their time and wage records to ensure compliance with the requirements of the applicable award, the Act and the Regulations.

Where we identified errors, we explained our findings to the employer and the action they were required to take to rectify those errors.

- With pay slip and record-keeping errors we asked the employer to commit in writing to keep accurate records and issue correct pay slips into the future.
- Where we found that employees were underpaid, we assisted employers to calculate the monies owing to affected employees. We also required that the employer provide us with proof of having made the necessary back payments.

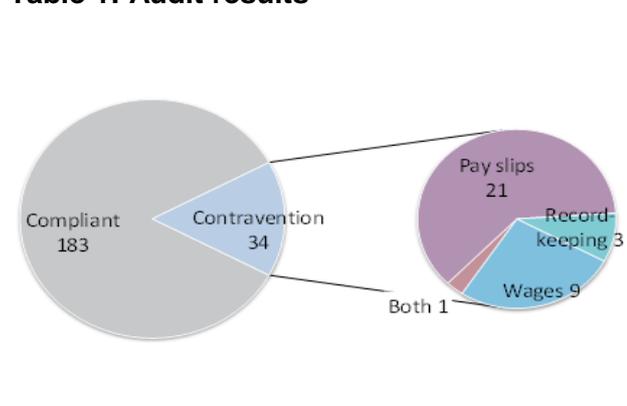
During our visits we provided employers with advice and resources to help them understand and comply with their obligations. Where possible we demonstrated our suite of online tools and resources, such as [Pay Check Plus](#) and our [Records and Pay Slips fact sheet](#).

What did we find?

We assessed the records of 217 businesses and found:

- 183 (84%) employers were compliant with all obligations
- 34 (16%) employers had one or more errors, of which:
 - 21 (10%) related to pay slips
 - 9 (4%) had paid incorrect pay rates
 - 3 (1%) concerned record-keeping
 - 1 (less than 1%) had errors relating to both pay rates and pay slips

Table 1: Audit results



This means that of the 217 businesses:

- 207 (95%) were paying their employees correctly
- 192 (88%) were compliant with pay slip and record-keeping obligations

Money recovered

From the 10 businesses found to have made pay rate errors, we recovered a total of \$20,616 on behalf of 23 employees who were underpaid.

Amounts recovered from individual employers ranged from less than \$70 to more than \$10,000.

Other findings

We visited businesses from almost 50 different industry sub sectors; most from within the broader retail sector.

The five most highly represented sub sectors were:

- retail clothing stores (18%)
- supermarket and grocery stores (10%)
- footwear retailing (7%)
- other store-based retailing (6%)
- sport & camping retailing (5%)

During our visits we also spoke with some employees. Fair Work Inspectors noted that most employees had limited awareness of their entitlements or the award they were covered by. In addition, many employees were interested to hear more about the role of the FWO and the tools, resources and assistance we provide.

Case study – use FWO online tools to check pay rates

During our visit to Petra's* retail store we assessed the time and wage records of her employees. We identified several errors relating to pay slips and pay rates. We found that Petra had underpaid her casual staff both their hourly pay rates and the pay rates for work they performed on weekends and public holidays.

As we discussed our findings with Petra it became clear that she was not familiar with the casual rates prescribed by the *General Retail Award 2010* (the Award). Unfortunately, Petra's lack of knowledge and failure to check pay rates meant that she had underpaid her employees over \$10,000.

We spent additional time with Petra to ensure that she understood what was required by the Award. We also demonstrated our online tools and resources so she could use the tools for herself to ensure she was paying the correct pay rates in future.

Although understandably disappointed, Petra voluntarily rectified all errors we had identified.

We continued to work with Petra throughout the process and ensured that all staff received their correct entitlements.

* pseudonym

Concluding remarks

The results of the program have shown high rates of compliance amongst the businesses we visited in the Melbourne CBD.

However, although only a small number of employers had underpaid staff, we still recovered over \$20,000 on behalf of 23 employees. This shows how important it is for businesses to keep informed and up-to-date about their obligations.

To assist businesses with this we have online tools and resources available at www.fairwork.gov.au, including dedicated small business assistance.

About the Fair Work Ombudsman

The Fair Work Ombudsman is an independent agency created by the *Fair Work Act 2009* on 1 July 2009.

Our vision is fair Australian workplaces, and our mission is to work with Australians to educate, promote fairness and ensure justice in the workplace.

Our education and compliance campaigns target specific industries to assist them achieve compliance with national workplace laws. Our focus is usually industries that need assistance with compliance and employ vulnerable workers.

We like to work with relevant industry associations and unions to deliver our campaigns. We rely upon their 'real world' knowledge and communication channels to design and deliver our education activities and products.

This report covers the background, method and findings of the VIC - Melbourne CBD education and compliance program 2013.

For further information and media enquiries please contact media@fwo.gov.au.

If you would like further information about the Fair Work Ombudsman's campaigns please contact Lynda McAlary-Smith, Executive Director – Proactive Compliance and Education Branch (lynda.mcalary-smith@fwo.gov.au).

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