



Australian Government

# Fair Work

## OMBUDSMAN

### NSW South Coast Record Keeping & Education Campaign

#### Final report February 2010

---

#### Summary

Due to an increasing number of complaints received by the Fair Work Ombudsman (FWO) concerning New South Wales (NSW) coastal accommodation businesses and the tourism sector, a record keeping and education campaign (campaign) was undertaken by the FWO in February 2010. The campaign focussed on local businesses along the NSW south coast in the areas of Nowra, Sussex Inlet, Milton, Ulladulla, Bateman's Bay, Moruya, Narooma and Bega.

In total, 264 businesses either received an educational visit if the employer was a sole trader or partnership transitioning to the federal system, or were audited, if they were a private company already in the federal system.

Of the 137 audits completed, only 19 (14%) employers were found to have record keeping and pay slip contraventions.

The campaign, however, did reveal a low level of knowledge and understanding of modern awards and the National Employment Standards (NES) amongst employers visited.

The details of the campaign are outlined below.

#### Background

The campaign was triggered by the increasing number of complaints received by FWO concerning NSW coastal accommodation businesses and the tourism sector in general.

The campaign also presented a good opportunity to;

- educate NSW sole traders and partnership entities on their new employer obligations as they transition from the state to the federal industrial relations system; and
- provide employers already in the federal system with information on the modern awards and NES.

#### Campaign aim and objectives

This campaign, targeting employers in the NSW coastal accommodation and tourist industry, aimed to improve employers' compliance with record keeping and payslip requirements and their understanding of the NES and modern awards.

The specific campaign objectives were to:

- educate small business operators about record keeping and pay slip obligations, the NES and modern awards;
- educate NSW sole traders and partnerships transitioning to the federal system on their new employer obligations;
- promote the small business tools available on the FWO's website; and

- assess and ensure compliance with record keeping and pay slip regulations.
- increase the FWO's visible presence in NSW coastal regions.

## Methodology

Following notification of our visits to employers through local radio, 8 Fair Work Inspectors (FWIs) visited 264 local businesses in the following towns over a period of four days;

- Nowra (15 February 2010)
- Sussex Inlet (16 February 2010)
- Milton (16 February 2010)
- Ulladulla (16 February 2010)
- Bateman's Bay (17 February 2010)
- Moruya (17 February 2010)
- Narooma (17 February 2010)
- Bega (18 February 2010)

Two methodologies were adopted depending on the employer's business structure.

1. NSW sole traders and partnerships were provided with information to assist them understand their new obligations as they transition to the federal system.
2. Private companies already in the federal system, in addition to being provided education on modern awards and the NES, had time and wage records assessed for compliance with the *Fair Work Regulations 2009 (Regulations)*.

Businesses selected for audit were asked to produce time and wage records which were assessed by FWIs. Where minor record-keeping and payslip irregularities were identified, the employer was requested to complete a 'compliance commitment form', confirming they agreed to voluntarily rectify the contravention and commit to ongoing compliance.

FWIs provided compliance assistance to all employers that they visited. They provided employers with information factsheets, answered their queries regarding their new obligations and in some instances showed them where to find online tools, templates and other resources on the FWO website.

## Results

Of the 264 employers visited

- 127 (48%) employers were provided with educational information
- 137 (52%) employers were audited

The chart below provides details regarding the visits undertaken in each of the regional areas. Fair Work Inspectors undertook the most visits in Nowra (62) and Bega (42).

## South Coast Record Keeping & Education Campaign Site Visits

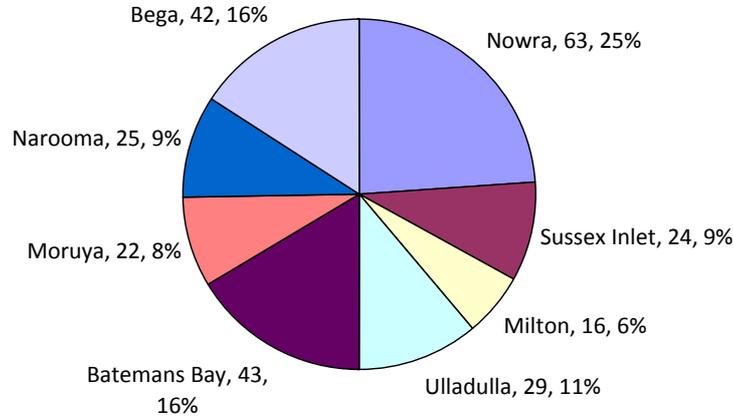


Figure 1.1

Of the 137 businesses audited, 19 (14%) were found to have record keeping and payslip regulation contraventions.

The table below details the number of onsite record keeping audits and educational visits conducted in each region:

## South Coast Record Keeping & Education Campaign

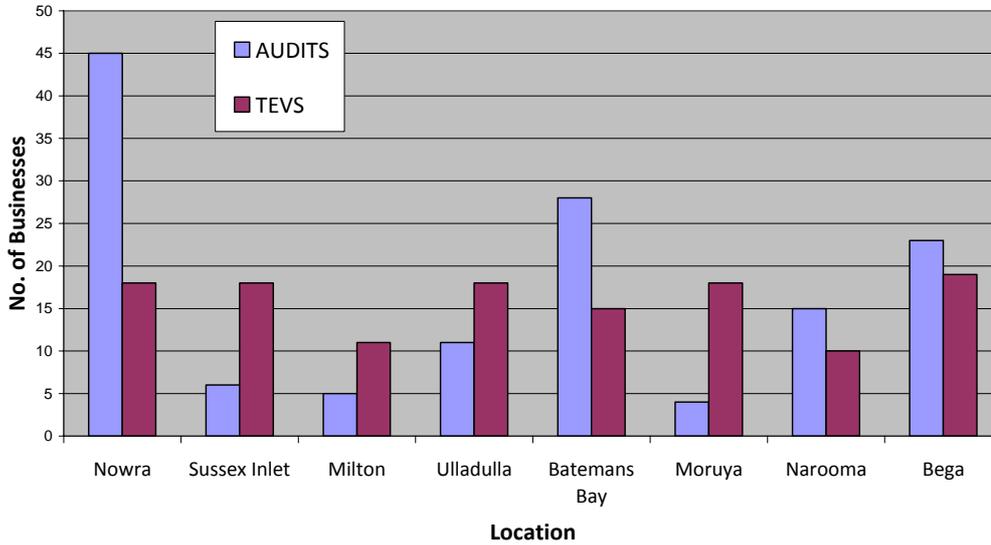


Figure 1.2

### Other Findings

Some employers advised they were not aware of the campaign prior to the FWIs' visits, despite local media releases being issued the day before.

In smaller communities such as Bega, news of FWO's visit spread rapidly after our initial site attendances. Many local employers took this as an opportunity to ask questions and referred neighbouring businesses to discuss pertinent questions they had regarding legislative changes and how it would impact on their rights and obligations.

Other findings were:

- Few employers had any knowledge or understanding of the workplace laws. The majority of employers were not aware of, or did not feel confident about the legislative changes relating to the NES and modern awards.
- Employers wanted to see FWO information sessions held in small communities and requested more face-to-face interaction/education.
- Many of the Real Estate Agencies visited appeared to be members of the Real Estate Institute (REI) of NSW and had received information factsheets from REI in relation to the legislative changes.
- A clear distinction exists between medium sized/ franchised businesses all using payroll software programs and smaller businesses utilising time and wage books and pay envelopes for wages.

## **Conclusion**

It is evident from this campaign that there would be value in the FWO undertaking further education activities in small communities along the NSW South Coast. Many employers were unaware of the FWO's role and function and had very limited awareness of their new responsibilities and obligations under the modern awards and NES.