



Fair Work
OMBUDSMAN

SA Kangaroo Island education and compliance campaign 2013

Final report – June 2014

Contents

Summary	4
Campaign objectives	4
Our industry partners	4
Why we conducted the campaign	4
What we did	5
What we found	5
Other findings	6
Concluding remarks	7
About the Fair Work Ombudsman	7

Campaign snapshot

Total of

56

businesses were visited

We found

75%

were paying their employees
correctly

Over

\$15k

was recovered on behalf of 61
employees

Summary

In late 2013 the Fair Work Ombudsman (FWO) commenced the SA Kangaroo Island education and compliance campaign 2013 (the campaign).

The campaign aimed to promote and assess compliance with Australia's workplace laws amongst businesses located on Kangaroo Island, South Australia.

We promoted the campaign by engaging with industry and local stakeholders, writing to employers and issuing a media release prior to visiting businesses.

In November 2013, Fair Work Inspectors visited 56 businesses operating on Kangaroo Island in a range of industries.

During our visits we assessed time and wage records to ensure that businesses were compliant with the requirements of the relevant award, the *Fair Work Act 2009* (the Act) and the *Fair Work Regulations 2009* (the Regulations). We also spent time speaking with employers and answering their questions about their obligations. To help make compliance easier we also directed employers to the free tools and resources available at [Our Website](#), including [PayCheck Plus](#) and [Pay slip and record-keeping information](#).

Of the 56 businesses we visited during the campaign we found that:

- 42 (75%) were paying their employees correctly
- 38 (68%) were compliant with record-keeping and pay slip requirements.

We recovered \$15 618 from 10 businesses, on behalf of 61 employees who were underpaid.

Campaign objectives

The specific objectives of the campaign were to:

- assess the compliance levels of businesses in a range of industries on Kangaroo Island
- increase awareness of the FWO's role and of the online tools and resources we make freely available to employers
- engage with employers and provide them with information, assistance and advice about their obligations.

Our industry partners

In September 2013, we engaged with the following stakeholders:

- Business SA
- Australian Hotels' Association
- Restaurant and Catering Association
- United Voice
- Shop, Distributive and Allied Employee's Association (SDA)
- Kangaroo Island Council
- South Australian Tourism Commission

We invited stakeholders to provide feedback on the proposed campaign and we sought their support in promoting it.

Why we conducted the campaign

In 2012, we analysed complaint data from complaints we received in South Australia. One of the key findings showed that in almost 50% of complaints received from the Fleurieu Peninsula / Kangaroo Island region an employee was found to have been underpaid.

In addition, the analysis showed that the region had the highest contravention rate when compared to other South Australian regions.

What we did

Having engaged with stakeholders, we wrote to employers on Kangaroo Island to inform them about the campaign and our impending visits. We also provided them with information about their obligations and we directed them to our online tools and resources.

In November 2013 we visited 56 businesses across Kangaroo Island, including those located in Kingscote, Penneshaw, American River, Parndana, as well as the inland areas.

The businesses we visited operated in various industries including hospitality, retail, manufacturing, wine production and agriculture.

Fair Work Inspectors asked employers to provide their time and wage records for assessment against the relevant award(s), the Act and the Regulations.

- We advised compliant employers of this outcome immediately and issued them with a site visit report in which we confirmed our findings.
- Where we identified errors relating to pay slips or record-keeping, we provided the employer with information about the requirements of the Act and the Regulations. We also advised them to refer to the pay slip templates and record-keeping information available on our website to ensure future compliance.
- Where we found that employees had not received their correct entitlements, we

advised the employer of the minimum entitlements of the relevant award and requested that they rectify the underpayments and provide us with proof of having done so.

What we found

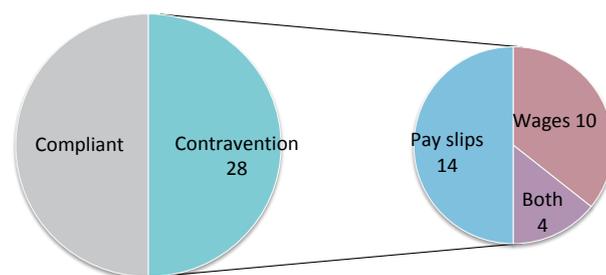
Of the 56 businesses audited:

- 42 (75%) were paying their employees correctly
- 38 (68%) were compliant with record-keeping and pay slip requirements.

Further analysis of our findings showed that:

- 28 (50%) employers were compliant with all requirements
- 28 (50%) employers had at least one error, of which:
 - 14 (25%) had errors relating to pay slips
 - 10 (18%) related to incorrect pay rates
 - 4 (7%) concerned both pay rates and pay slips

Chart 1: Audit findings



We recovered a total of \$15 618 from 10 businesses, on behalf of 61 employees who were affected as a result of identified errors. The total amounts recovered from individual businesses ranged from just over \$150 to more than \$5 000.

Other findings

Fair Work Inspectors note that most employers were both welcoming and willing to positively engage with us. Frequently, employers had prepared questions to ask Fair Work Inspectors, and they appreciated the time we spent discussing relevant issues.

A common area of interest to employers was individual flexibility agreements (IFAs). Employers who enquired about these were interested to understand how these agreements can be used to accommodate both their business and the employee. Fair Work Inspectors provided employers with information to help them understand how IFAs operate, and to enable them to decide if IFAs would benefit their business.

Fair Work Inspectors were impressed by the attitude of most employers in regards to their workplace obligations. Although 25% of employers had made errors relating to pay rates, they voluntarily rectified these, often with a concern to ensure that affected staff received back payments as quickly as possible.

Case study: Keep up to date with pay rates

David* runs a retail/café business on Kangaroo Island. When we visited his business he explained that when he received our campaign letter he conducted a self-audit of his time and wage records.

He found that he was underpaying his staff. David further calculated the individual amounts owing to affected staff. We assessed David's records and verified his findings.

As a result of David's self-audit, which he conducted due to the promotion of the campaign, he paid six employees a collective total of over \$5 200 which was owing to them.

To help David avoid such errors in future, we showed him our online tools and resources and recommended that he utilise these to check pay rates and to keep informed about his obligations.

* Pseudonym

Case study: Be familiar with award coverage

Philip* operates a successful restaurant / café on Kangaroo Island.

When we visited his business and assessed time and wage records, we found that he had incorrectly classified some staff at the wrong level under the

applicable award. He had also underpaid some weekday and Saturday pay rates. We discussed our findings with Philip and explained the action required to rectify the errors he had made.

Philip and his bookkeeper used our online tools to calculate the entitlements owing to his staff. Philip then ensured that all staff who had been underpaid received the back pay they were owed. He also voluntarily provided his staff with an explanatory letter about what had occurred.

* Pseudonym

Concluding remarks

The campaign findings identify a number of errors being made by those employers we engaged with. However, the Fair Work Inspectors involved in the campaign left Kangaroo Island confident that those employers they met with appear largely motivated to 'do the right thing', in terms of understanding and adhering to their obligations.

Where we did identify errors, all employers voluntarily rectified these and were interested to ensure that they understood what they were required to do in future.

We were encouraged by the level of interest and engagement amongst employers on Kangaroo Island. We are hopeful that the campaign will help employers to more easily comply with their obligations into the future.

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 Kangaroo Island Education and compliance campaign 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 & Education (Lynda.McAlary-Smith@fwo.gov.au)

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