



Fair Work OMBUDSMAN

SA- Limestone Coast Record Keeping & Payslip Campaign

Final Report September 2010

Summary

The Mount Gambier office of the Fair Work Ombudsman (FWO) (formerly the Workplace Ombudsman)¹ conducted a targeted campaign across the Limestone Coast of South Australia. The campaign commenced in January 2009 and focused on record keeping and payslip obligations.

The aim of the *SA – Limestone Coast Record Keeping and Payslip Campaign* was to promote our office to the business community in the region, ensure employers understood their obligations, and audit a targeted group of employers to gain a better understanding of compliance trends in the Limestone Coast region. The businesses selected for audit were predominantly located in Mount Gambier, Coonawarra, Naracoorte, Robe and Penola.

The campaign attracted a lot of attention from the media and the Limestone Coast business community. We are confident this has resulted in a greater awareness of the FWO and our goal to create fairer Australian workplaces.

We finalised 71 audits in this campaign and found that 46 employers (65%) were compliant with Commonwealth workplace laws. This was a much improved rate of compliance from previous audit work in the Limestone Coast region.²

Of the 25 (35%) employers identified with contraventions of Commonwealth workplace laws there were 6 employers required to voluntarily rectify underpayment issues. These underpayments resulted in the recovery of \$55,377 for 144 employees.

From those employers determined as non-compliant we identified a total of 26 contraventions including underpayments of hourly rates and penalty rates, and failure to meet payslip and time and wage record keeping requirements.

One employer was issued with a formal penalty of \$550 for a repeated contravention of payslip and record keeping requirements. This penalty was paid and the issue has now been rectified by the employer.

This campaign has helped increase awareness of the FWO in the Limestone Coast region. We hope that the formal penalty issued in this campaign delivers the message to the business community that we will not tolerate repeated contraventions. Given the rate of non-compliance (35%) in this campaign, further audit work in the Limestone Coast region is necessary.

¹ The Workplace Ombudsman ceased on 30 June 2009 and has been replaced by the Fair Work Ombudsman

² Previous audit work was undertaken in the region as part of the *SA Regional (Record Keeping) Campaign 2007*, *SA Pilot Young Workers Campaign 2007*, *SA Motor Vehicle Industry Campaign 2008*, and the *National Human Services Aged Care Targeted Campaign 2008*.

Background

Fair Work Inspectors from our Mount Gambier office have found significant non compliance issues in their previous targeted campaign work, including:

- 70% non compliance in the SA Regional Centres Campaign in 2007
- 82% non compliance in the SA Pilot Young Workers Campaign in 2007
- 70% non compliance in the SA Motor Vehicle Industry Campaign in 2008
- 100% non compliance in the National Human Services Campaign in 2008

(NB. These percentages reflect the results of audit undertaken by the Mount Gambier office)

Further, our FWIs have found compliance with payslip and record keeping requirements to be a recurring problem when investigating complaints in the Limestone Coast region.

The alarming rate of non compliance prompted the Mount Gambier office to conduct this Limestone Coast Record Keeping and Payslip Campaign. It was recognised as an opportunity to increase the awareness of the FWO and ensure adherence to payslip and record keeping requirements under Commonwealth workplace laws.

Campaign aim & objectives

The specific objectives of this campaign were:

- Engage with relevant stakeholders in relation to the campaign
- Provide information to employers within various industry sectors in the Limestone Coast to assist them to meet their record keeping and payslip obligations under federal legislation and to promote the role of the FWO.
- Audit the level of compliance with a targeted number of employers in relation to record keeping and payslip contents/issuance requirements, including revisiting some employers from the Regional (Record Keeping) Audits of January /February 2007.

Scope

The primary focus of the SA – *Limestone Coast Record Keeping and Payslip Campaign* was auditing selected employers on their compliance with payslip and record keeping requirements as outlined in the *Workplace Relations Regulations 2006*.

The targeted employers were selected from a variety of industries predominantly from Mount Gambier, Coonawarra, Naracoorte, Robe and Penola.

Stakeholder involvement

Key stakeholders including SafeWork SA, employer groups, local media, accountants, lawyers, unions, major local employers, chambers of commerce, regional development boards and MPs were notified of the campaign and invited to the official breakfast launch.

Attendees at the launch were addressed by Nick Wilson, Fair Work Ombudsman (formerly the Workplace Ombudsman). Attendees were provided information on the role of the FWO, the importance of regional offices and an overview of the campaign. The messages were reinforced with comprehensive information packs handed out during the event.

The launch was well received by the business community and both print and television media.

Methodology

- Identified stakeholders were sent letters seeking their comment/input to the campaign and inviting them to the campaign launch.
- Promotion of the campaign and the campaign breakfast launch.
- Campaign breakfast launch including engagement with, and education of, those stakeholders in attendance.
- Audit phase involved FWIs from the Mount Gambier office conducting unannounced field visits. FWIs selected employers based on the following criteria:
 - local knowledge
 - complaint history
 - audit history
 - random selection
- During visits, FWIs provided employers with information packs explaining our role in the community and payslip and record keeping requirements.
- Where records were available, they were assessed on the spot using an audit checklist.
- Where records were not available, employers were requested to send records to our office.
- When a contravention was identified, FWIs advised the employer and sought voluntarily rectification of the contravention.

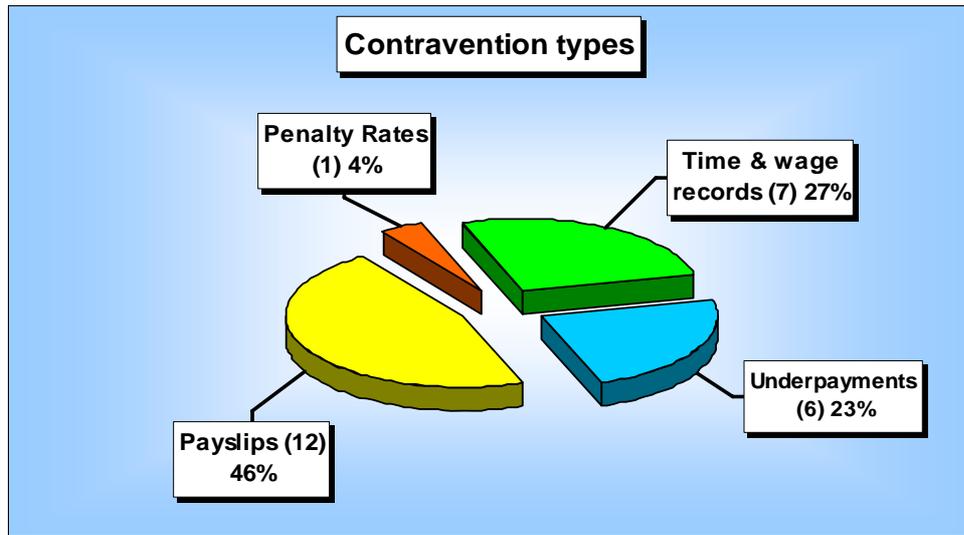
Results

At September 2010, when the results of this campaign were compiled, we had achieved the following:

- 86 employers were targeted for audit
- 15 of those targeted were not audited (no employees, not federal jurisdiction, no longer trading)
- 71 employers were audited
 - 46 (65%) of the employers were compliant
 - 25 (35%) of employers were in contravention
- \$ 55,377 recovered from 6 employers
- Underpayments were recovered for 144 employees
- One Penalty Infringement Notice was issued for ongoing non compliance

Status of Audits	
Number of employers audited	71
• <i>Employers compliant</i>	46 (65%)
• <i>Employers in contravention (all voluntary complied)</i>	25 (35%)
Total amount recovered	\$55,377
Number of employees paid	144

Of the 25 employers found to be non-compliant, a total of 26 contraventions were recorded. These are summarised in the chart below:



Other findings

Issues which emerged in the process of conducting this campaign included:

- not providing pay slips to employees
- not recording superannuation on pay slips
- employers using outdated documents to determine wage rates
- lack of understanding of how awards apply to employment conditions

Conclusion

The SA-Limestone Coast Record Keeping and Payslip Campaign provided a good opportunity to engage with the business community, increase awareness of the FWO and improve compliance with Commonwealth workplace laws.

Of the 71 businesses audited, 46 (65%) were determined to be compliant. From the 25 employers who were not compliant; 6 employers were required to voluntarily rectify underpayments resulting in the recovery of \$55,377 for 144 employees and 1 employer was issued a formal penalty notice for a repeated contravention.

Although the rate of non-compliance (35%) is lower than previous audit work in the region, it is clear that further audit work is necessary in the Limestone Coast region to achieve long-term compliance with Commonwealth workplace laws.

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