

# SA/NT Right Start Program 2011

Final report – November 2011

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

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## About the Fair Work Ombudsman

The Fair Work Ombudsman is an independent statutory agency, created by the *Fair Work Act 2009* (the Fair Work Act) 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. We promote harmonious, productive and cooperative workplace relations and ensure compliance with Australia's workplace laws, by:

- offering people a single point of contact for them to receive accurate and timely advice and information about Australia's workplace relations system
- educating people working in Australia about their workplace rights and obligations
- investigating complaints or suspected contraventions of workplace laws, awards and agreements
- litigating to enforce workplace laws and to deter people from not complying with their workplace responsibilities.

Education and compliance campaigns that focus on specific industries and/or regions are a proactive strategy we use to achieve compliance with national workplace laws. They are also effective in recovering employee entitlements, particularly when the campaign targets high-risk areas and industries that employ vulnerable workers.

This report covers the background, methodology and results of the SA/NT Right Start Audit 2011.

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## Summary

South Australian and Northern Territory Fair Work Inspectors (FWIs) conducted the Right Start Program (the program) in early 2011. The program targeted employers who had registered a business on or after 1 January 2010. These new businesses were strategically targeted to identify what assistance they might need to achieve and maintain long term compliant behaviours.

A total of 67 businesses were assessed, 38 in the Northern Territory (NT) and 29 in South Australia (SA). Overall, only two employers were found in contravention. One employer in the NT was found to have underpaid 10 staff in excess of \$1500, whilst the one employer in South Australia was identified as having record keeping contraventions.

Further audit findings can be found in the body of the report.

## Background

The Fair Work Ombudsman (FWO) receives more than 340 complaints each week. Some of these complaints can be against employers we have previously identified as being non-compliant with workplace obligations.

In selecting new employing entities for assessment, this program aimed to increase the possibility of the employers adopting and maintaining compliant behaviours in the future.

It was considered that this program would also provide an opportunity to inform employers about the numerous compliance tools and information services FWO provides.

## Campaign aim & objectives

The aim of the program was to assess a sample number of recently registered businesses in the NT and SA to determine their need for information and advice in order to achieve and maintain long term compliant behaviour.

The objectives of the program were to;

- assess compliance with ordinary rates of pay and record keeping and pay slip requirements
- assist non compliant employers rectify their contraventions
- provide information on the modern awards and record keeping obligations
- promote FWO's regulatory and educative role and tools

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## Method

As the audit program specifically targeted employers who had registered a business from January 2010 onwards, we used the search functions of the Australian Business Register (ABR) database to identify potential employers for audit.

We randomly selected 67 employers for assessment, 29 in SA and 38 in NT. We ensured that we did not select employers in industries that were currently targeting for an audit program or would be in the following 12 months.

We notified employers of their selection by written correspondence and asked them to return time and wage records for a two week period for assessment. Also to complete a [national workplace relations checklist](#).

We undertook an initial assessment of the returned records and identified employers who were non compliant. We contacted the non compliant employers about their contraventions and assisted them to rectify the matters.

Using the information in the completed check lists we identified those employers, who had requested or we believed required, further information on their obligations. We called these employers and discussed the requirements under the *Fair Work Act 2009 (the Act)*, *Fair Work Regulations (the Regulations)* and relevant award. We also forwarded the employers fact sheets and directed them to self help tools on the FWO website.

Compliant employers were notified of the outcome of their audit in writing.

## Results

We analysed the results of this program on 13 October 2011. This analysis showed that we had conducted 67 audits and found 65 employers to be compliant and 2 to be in contravention.

A total of \$1659 was recovered for 10 employees.

Table 1

Result of Audits – SA/NT Right Start audit program 2011	
Number of employers audited	67
• <i>Employers compliant</i>	65 (97%)
• <i>Employers in contravention (voluntary compliance)</i>	2 (3%)
Total amount recovered	\$1,659
Number of employees paid	10

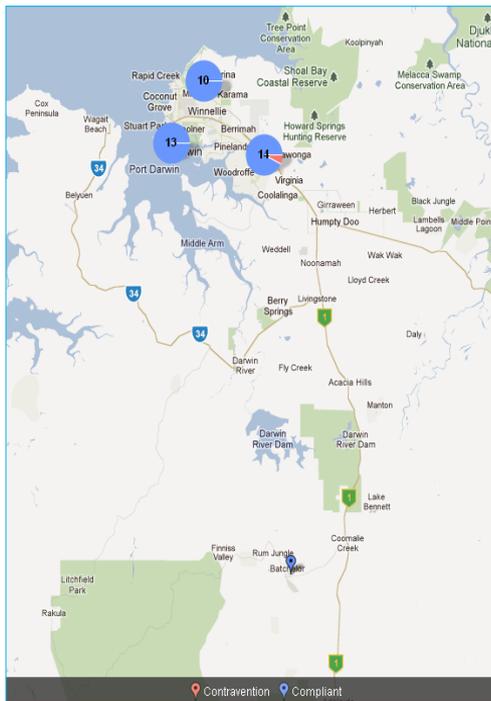
## Location of audits

Audits were conducted in the CBD and surrounding areas of Adelaide and Darwin. A total of 38 audits were conducted in NT with 37 of these businesses found to be compliant. In SA 29 audits were conducted with 28 of those businesses found to be compliant.

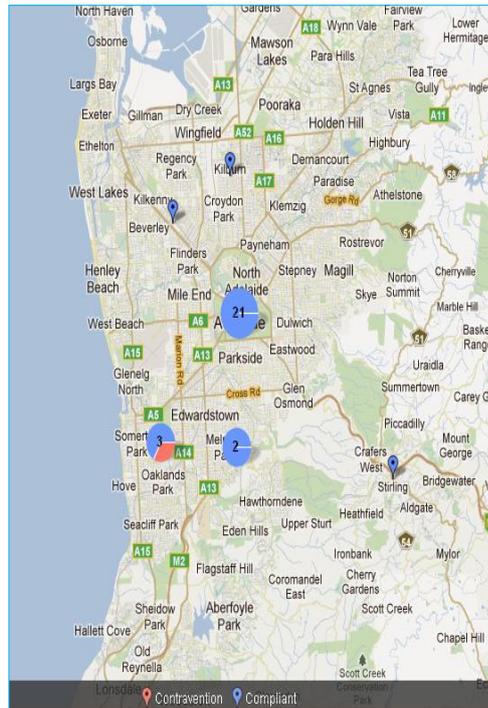
The one non compliant business in NT was found to be underpaying ten employees the sum of \$1,659. The non compliant business in SA business was in contravention of record keeping obligations.

Marked on the maps below are the locations in which the audits were conducted in NT and SA.

Map1: NT locations



Map 2: SA locations



## Other findings

It was encouraging to find that the majority of the employers were already aware of their obligations and were keen to demonstrate their compliance with the *Act* and *Regulations*.

However we found many employers were uncertain, and wanting clarification, about the phasing in of pay rates. It was not unusual for these employers to be paying their staff above the award rates of pay.

## Conclusion

In undertaking this program we successfully communicated the fair work message with new employers and for those found to be in contravention, assisted them identify and rectify their contraventions early on in the business life cycle.

Consideration is being given to utilising the same audit methodology for other campaigns.

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