



Australian Government

Fair Work OMBUDSMAN

SA Royal Adelaide Show Audit Program 2009 Report

Summary

Employers operating at the Royal Adelaide Show employ a large number of short term staff. Many employees working the event are backpackers, visa holders and junior workers, all of whom are considered to be vulnerable employees. For the first time, the Fair Work Ombudsman (FWO), conducted an audit of show employers to ensure they were complying with record keeping, pay slip and minimum rates of pay obligations.

Of the 46 employers audited, we found 33 (72%) to be compliant and 13 (28%) to be in contravention. Of the employers in contravention, 7 had record keeping and pay slip contraventions, 4 had monetary contraventions and 2 employers had both payslip and monetary contraventions. In total the SA Royal Adelaide Show Audit Program (program) recovered \$7,937 for 69 underpaid employees.

Background

The program was implemented due to the high number of vulnerable workers, including backpackers, foreign and junior workers employed at the event. Given their vulnerability FWO wanted to ensure employers were meeting their record keeping, payslip and wage obligations irrespective of the short term nature of the work.

Campaign aim

The aim of the campaign was to assess compliance with time record keeping and payslip regulations and minimum hourly rate obligations at the SA Royal Adelaide Show.

Methodology

Prior to undertaking the program, we contacted the Royal Agricultural and Horticultural Society of South Australia (society) to advise them of our audit proposal. The society offered their assistance and provided us with a list of employers and a map of where those employers would be located. Leading up to opening day, the society held numerous meetings with employers, where they informed them of the audits and where to seek further information to check their compliance before the audits commenced.

On 10 and 11 September 2009, four Fair Work Inspectors randomly visited employers at the showgrounds and conducted time and wage audits. Where an employer was found to have record keeping and/or payslip contravention(s), they were asked to sign a compliance commitment form, committing them to rectifying the contravention(s) and ensuring future compliance with the *Fair Work Regulations 2009*. Where an underpayment contravention was detected, the audit investigation was completed at the office.

During the visits, employers were also provided with information packs which included details on modern awards, the National Employment Standard and information directing them to the FWO web tools.

Results

In total, 60 employers were selected for auditing, however, 14 were unable to be audited as they fell outside the FWO's jurisdiction.

Of the 46 employers audited;

- 33 (72%) employers were compliant
- 13 (28%) were found to be in contravention
 - 7 employers contravened record keeping/pay slip regulations
 - 4 employers had monetary contraventions
 - 2 employers had pay slip and monetary contraventions.
- In all, 15 separately identifiable contraventions were detected
- \$7937 was recovered for 69 employees

Table 1: Outcome of audits

Number of employers audited	46
<i>No. employers compliant</i>	33
<i>No. employers with contraventions</i>	13(100%)
• <i>Employers with record keeping/pay slip contraventions</i>	7(54%)
• <i>Employers with monetary contraventions</i>	4 (31%)
• <i>Employers with payslip and monetary contraventions</i>	2 (15%)

Illustrated in Table 1 are the audit findings. The majority (54%) of the contraventions identified related to non compliance with record keeping and payslip regulations. Four employers were identified as having underpaid the correct minimum hourly rates.

Other findings

The employers found to have record keeping or payslip contraventions were mainly small business operators with one or two employees who were often family members. When advised of the contraventions, the majority of these employers admitted they had limited understanding or awareness of the *Fair Work Regulations 2009*.

The majority of employers found to be in contravention of minimum wage rates were travelling show operators who operated amusement rides, sideshow games or specialty catering vans. When advised of the underpayment, several expressed confusion regarding the rate of pay applicable in South Australia, as they stated that minimum hourly rates vary across state borders. All employers identified as being in contravention voluntarily rectified the contravention(s).

Conclusion

The audit findings highlight the need to further educate employers on their rights and obligations. A follow up audit is being considered for next year's Royal Adelaide Show, especially given the introduction of modern awards.