



Australian Government

# Fair Work OMBUDSMAN

## NT – Smith Street Education and Compliance Campaign – August 2010 – Final Report

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### Summary

The NT Smith Street Education and Compliance Campaign was undertaken as it was believed that a high rate of vulnerable workers such as: backpackers, international students, young workers and employees working under the subclass 457 visa sponsorship scheme, were employed in various business in Smith St.

In December 2009 our Fair Work Inspectors visited 27 businesses along Smith Street with an educational focus. Fair Work Inspectors provided employers with relevant information and advice relating to their obligations under Commonwealth workplace laws.

In March 2010 we selected four of the 27 businesses for an audit based on time and wage record keeping practices and correct payment of wages. Three of the four were found to be compliant with their obligations, while the one remaining business is currently under investigation for possible underpayments to staff.

### Background

The Fair Work Ombudsman had received a number of confidential enquiries and complaints regarding employment practices by restaurants and takeaway shops on Smith Street.

However the employees had been reluctant to complain about the terms and conditions of employment because they were fearful of losing their job or putting their visa status in jeopardy. We therefore determined that the best approach would be to conduct a targeted campaign into the various industries against which confidential complaints had been received.

### Campaign aim and objectives

The aim of the campaign was to ensure employers in Smith St, Darwin were aware of their obligations to keep records and meet minimum employment standards under the *Fair Work Act 2009* (the Act) and *Fair Work Regulations* (the Regulations)

Specific objectives were to:

- To provide educational information to the employers to assist them to comply with Act and Regulations
- To select a sample of employers for audit, checking that time, wage and pay slip records were issued and were compliant with the Regulations, and to ensure that employees receive their correct minimum wage entitlements.
- Determine the level of vulnerable workers in the Smith St precinct

## Methodology

The campaign was conducted in two phases.

Phase 1 involved Fair Work Inspectors visiting employers along Smith Street, Darwin and providing employers with a self audit check list, information packs and fact sheets. A total of 27 businesses were visited during this phase which was completed by 10 December 2009

Phase 2 involved the selection of a sample of four employers for audit. We visited them to issue a formal request to provide us with sample records. When these records were received we assessed them for compliance with the Act and the Regulations. We completed the audit phase in March 2010

## Results

**Table 1: Status and outcome of audits**

Status of audits	
Targeted	27
Education provided	23
Audited	4
• Compliant	3
• Contraventions	0
○ Audits yet to be finalised	1

We visited 27 employers during December 2009 and provided employers with self audit checklists, information packs and fact sheets.

During March 2010 we selected four of the employers for audit. As illustrated in the above table, we identified that one employer was underpaying their staff in accordance with the relevant award and therefore are continuing to investigate this matter

We found the remaining three employers to be compliant in terms of the award and legislative requirements

### Other findings

As predicted we found all the employers that we audited to be employing vulnerable workers. Two of the businesses employed workers from overseas under a 457 visa sponsorship and all employed young workers.

## Conclusion

It is considered that the initial educational exercise of providing information to employers in Smith St was beneficial in achieving our aim of increasing employers awareness of their obligations to keep records and meet minimum employment standards under the Act and the Regulations.

The campaign findings supported our belief that there are a high number of vulnerable workers employed in the restaurant, café and takeaway industry in the Darwin area. We will therefore consider conducting a much boarder campaign in the future.

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