

QLD Townsville records and pay slips campaign 2013

Report – September 2014



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Campaign snapshot

Total of

166

businesses were visted

We found

88%

were compliant with pay slip requirements

We found

86%

were following correct record - keeping practices

Townsville records and pay slips campaign 2013

Summary

The Fair Work Ombudsman (FWO) commenced the Townsville records and pay slips campaign (the campaign) in October 2013.

The campaign aimed to promote and assess compliance with Australia's workplace laws, particularly in relation to record-keeping and pay slip requirements.

We visited 166 businesses in the Townsville region. We spoke with employers about their obligations and provided them with information to assist them with compliance. In particular, we demonstrated the tools and resources available at fairwork.gov.au.

Fair Work Inspectors also assessed a sample of employee records and pay slips onsite at the business premises to ensure these were compliant.

The results of our assessments showed that:

- 146 (88%) businesses were compliant with pay slip requirements
- 142 (86%) were compliant with recordkeeping requirements

For further information on our findings, please refer to the body of this report.

Campaign objectives

The aim of the campaign was to both assess and promote compliance with the *Fair Work Act* 2009 (the Act) and the *Fair Work Regulations* 2009 (the Regulations).

Our specific objectives were to:

 assess compliance with record-keeping and pay slip requirements

- check that employers were issuing a copy of the Fair Work Information Statement (FWIS) to new employees
- promote the role of the FWO and the assistance we offer to employers, including our online tools and resources.

Why we conducted the campaign

Detailed pay slips allow employees to understand and check their entitlements, while accurate records provide the means for both employers and employees to access important employee details. By doing this campaign we aimed to promote that good pay slip and record-keeping practices can help make compliance easier for businesses.

In conducting education and compliance activities we commonly find that some employers fail to keep compliant records or pay slips. Fair Work Inspectors have found this usually occurs due to employers being unaware of their obligations.

We initiated this campaign in the Townsville region to create awareness of the FWO and provide assistance to local businesses.

By visiting employers and engaging directly with them, we helped them to better understand and comply with their obligations.

What we did

Before commencing the campaign we engaged with the Townsville Chamber of Commerce. We sought their involvement in the development and delivery of the campaign, including their assistance to promote it amongst their members.

During November 2013 Fair Work Inspectors visited 166 businesses in and around Townsville.

We assessed the businesses' time and wage records to ensure compliance with the requirements of the Act and the Regulations.

We identified pay slip errors and required employers to complete a written undertaking to issue compliant pay slips in future.

We found instances of employee records not kept in the prescribed form and provided information and resources to those employers about their obligations.

During our engagments with employers we also asked whether they issued new employees with a copy of the FWIS. Where employers had failed to do so we sought a formal commitment from the employer to issue it in future.

Where possible, we also demonstrated our online tools and resources, such as <u>pay slip and</u> record-keeping information.

What we found

Of the 166 businesses we visited:

- 146 (88%) were compliant with pay slip requirements
- 142 (86%) were compliant with recordkeeping requirements.

Further analysis of our findings showed that:

- 126 (76%) employers were compliant with all pay slip and record-keeping obligations
- 40 (24%) employers had made at least one error, of which:
 - o 17 (10%) related to FWIS
 - o 16 (10%) related to pay slips

- 4 (2%) related to both pay slips and FWIS
- 2 (1%) related to both records and FWIS
- o 1 (1%) related to records

The 40 businesses found to have made errors, had a collective total of 46 individual errors.

Pay slip errors represented 20 (43%) of the individual errors identified. Most of these (70%) were because employers had not issued pay slips containing sufficient detail.

Other findings

Fair Work Inspectors found that most employers who had made pay slip errors were unaware of all the content required. Other employers had completed pay slips correctly, but had failed to issue them to employees within one day of payment.

Case study – pay slips must be complete

We visited a business owned by Bob*. When we reviewed his time and wage records we recognised that the pay slips he was issuing did not contain all of the required information.

Bob was not aware that pay slips were required to include superannuation information, including the amount of the superannuation contribution and the name of the fund into which the contribution was made.

We explained to Bob the details required and the reasons why these are important for both employers and employees. We also provided him with further pay slip and record-keeping information, as well as other tools and resources available at fairwork.gov.au

We asked Bob to commit in writing to issuing compliant pay slips in future.
*a pseudonym

Fair Work Inspectors noted that during the campaign several employers expressed appreciation for the time we spent working with them to help them understand their obligations.

Concluding remarks

The overall findings of the campaign demonstrate a high level of compliance with record keeping and pay slip obligations. Most errors we identified resulted from a lack of awareness about workplace obligations. Encouragingly, once these were brought to the attention of employers, the errors were voluntarily rectified.

Importantly, the campaign provided the opportunity for FWO to engage directly with employers. This was of genuine benefit in helping employers to understand their obligations.

Demonstration of our online tools and resources was well received by employers and we are hopeful that they will contiinue to use them as a primary resource for ongoing compliance.

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 Townsville Records and pay slips 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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