# **Chapter 8**

# Fair Work Australia

- 8.1 This chapter examines the establishment of Fair Work Australia (FWA), its structure, functions and powers and the establishment of the Fair Work Ombudsman which will form part of FWA.
- 8.2 From 1 February 2010, FWA will replace seven existing agencies:
- Australian Industrial Relations Commission;
- Australian Industrial Registry;
- Australian Fair Pay Commission;
- Australian Fair Pay Commission Secretariat;
- Workplace Authority;
- Workplace Ombudsman; and
- Australian Building and Construction Commission.
- 8.3 However, FWA will need to commence work early as the new bargaining framework and unfair dismissal changes will commence from 1 July 2009.<sup>1</sup>
- 8.4 It is intended that FWA will be a 'one stop shop' which provides employees and employers with information, advice and assistance on workplace relations issues. The work will be complemented by the new specialist Fair Work Divisions in the Federal Court and the Federal Magistrates Court.

## Jurisdiction and powers of courts

8.5 Part 4-2 details the jurisdiction and powers of the Federal Court and Federal Magistrates Court in relation to matters arising under the Act. As under the current legislation, the Federal Court and Federal Magistrates Court have jurisdiction in most matters arising under the legislation but some matters can be brought before state and territory courts. Clause 570 deals with costs. Clause 569 allows the Minister to intervene on behalf of the Commonwealth if the Minister believes it is in the public

Media Release, Hon Julia Gillard MP, Minister for Employment and Workplace Relations, 'President of Fair Work Australia', 13 February 2009.

interest. The EM notes that the transitional and consequential bill will establish the Fair Work Divisions of the Federal Court and the Federal Magistrates Court.<sup>2</sup>

## Small claims procedure

- Clause 548 details the small claims procedure which replicates what is 8.6 currently in the WRA with two changes. It extends to the Federal Magistrates Court for the first time (from the state magistrates court), and it increases the amount for which an application can be brought before the courts from \$10,000 to \$20,000.<sup>3</sup>
- 8.7 While welcoming the increase in the monetary limit for small claims from \$10,000 to \$20,000, the Workplace & Corporate Law Research Group, Monash University, suggested clause 548(5) be amended to allow an employee to be represented by a lawyer as a matter of course and that funds be made available to engage duty lawyers on site at the relevant courts to assist employees with the small claims procedure.<sup>4</sup>
- 8.8 DEEWR explained that this procedure is intended to provide 'a simple and quick mechanism for dealing with claims of a relatively small amount'. Except where leave of the court is granted, lawyers are excluded from proceedings except where a lawyer is an employee or officer of a party to proceedings.<sup>5</sup> (see further discission below).

#### Structure of FWA

Part 5-1 deals with the institutional aspects of FWA. Clause 575 establishes 8.9 FWA which will replace the AIRC. FWA will consist of a President<sup>6</sup>, a Deputy President, Commissioners and between four and six specialist Minimum Wage Panel members<sup>7</sup> as well as a general manager and administrative staff. All current AIRC members have been invited to become FWA members.<sup>8</sup> Appointments to FWA will be via a merit-based, consultative and bipartisan process which is outlined in the Forward with Fairness – Policy Implementation Plan.<sup>9</sup>

<sup>2</sup> EM, p. 335.

<sup>3</sup> Mr De Silva, Committee Hansard, 11 December 2008, p. 48.

<sup>4</sup> The Workplace & Corporate Law Research Group, Monash University, Submission 8, p. 1.

<sup>5</sup> DEEWR, Submission 63, p. 54.

<sup>6</sup> As FWA is to operate as an independent statutory agency, clause 583 specifies that the President is not subject to direction by or on behalf of the Commonwealth.

<sup>7</sup> EM, p. 341.

On 13 February 2009 the Minister announced that the Hon. Justice Giudice has accepted the 8 invitation to be the President of FWA.

<sup>9</sup> Kevin Rudd, MP, Labor Leader and Julia Gillard MP, Shadow Minister for Employment and Industrial relations, Forward with Fairness- Policy Implementation Plan, p. 25.

- 8.10 Clause 627 details the qualification for the appointment of FWA members. The President should be or have been a judge of a court or have knowledge of, or be experienced in: workplace relations, law business, industry or commerce. AiG believed the qualification requirements for the President are 'less onerous' than for the Deputy President. It submitted that the President should be required to have high levels skills and experience in workplace relations. <sup>10</sup>
- 8.11 The Women's Electoral Lobby Australia suggested the appointment of a specialist Commissioner for Equal Remuneration to deal with the applications for equal remuneration orders under clause 302 and that this person would be a member of any Minimum Wage panel. It also submitted that gender composition of the appointments should be a consideration to ensure it is representative of the general workforce. Professor David Peetz agreed 'that the extent to which FWA is able to effectively deal with equal remuneration issues will depend on the expertise of members of FWA and its structure' and suggested equal remuneration be added to the fields of expertise required. <sup>12</sup>

# Functions, powers and organisation of FWA

- 8.12 Clause 576 details the functions of FWA. FWA will have the power to vary awards, make minimum wage orders, approve agreements, determine unfair dismissal claims and make orders on such things as good faith bargaining and industrial action, and to assist employees and employers to resolve disputes at the workplace. Clause 576(2) limits dispute resolution functions to those covered under clause 595. Clause 577 requires FWA to exercise its functions and powers in a manner that is fair, just, quick and informal, and that avoids unnecessary technicalities and promotes harmonious and cooperative workplace relations.
- 8.13 DEEWR explained that informal processes will be encouraged to promote faster resolution. While being required to observe the rules of natural justice, FWA:
  - ...will also be able to deal with matters through a wide range of less technical, inquisitorial processes, including informal conferences, or by determining matters 'on the papers' without a requirement for parties to attend formal hearings in person.<sup>14</sup>
- 8.14 Clauses 612 to 625 deal with the organisation of FWA. AiG suggested that FWA should be granted a similar power to section 117 of the WRA. It provides for a full bench of the AIRC to issue an order restraining a state industrial authority from dealing with a matter that is the subject of a proceeding before the AIRC. AiG

Women's Electoral Lobby Australia, *Submission 86*, p. 18.

12 Professor Peetz, Supplementary Submission, Tabled papers.

13 Factsheet 2 Fair Work Australia institutions – A one stop shop.

14 DEEWR, Submission 63, p. 57.

<sup>10</sup> AiG, Submission 118, p. 111.

submitted that, while this provision has not been commonly used, it has been important. 15

## Issues raised with the committee

## Equal remuneration

- 8.15 The Women's Electoral Lobby (WEL) Australia welcomed the inclusion of the principle of equal remuneration for work of equal or comparable value in the modern awards objective (clause 134) and the minimum wages objective (clause 284) of the bill. It suggested that the award modernisation process is an opportunity to include a requirement to include equal remuneration provisions in modern awards (Chapter 2, Part 2-3, Division 3, Subdivision C). <sup>16</sup>
- 8.16 Clause 302 provides for FWA to make an equal remuneration order when appropriate to ensure equal remuneration for men and women performing work of equal or comparable value. An application can be made by an employee, an employee organisation or the Sex Discrimination Commissioner. Clause 303 details that the order may increase but not reduce rates of remuneration. Clause 304 provides that the order may be implemented in stages.
- 8.17 The introduction of equal remuneration orders was welcomed in submissions. However, WEL claimed that equal remuneration has not been adequately defined, and suggested that the definition identify what is included in 'remuneration'. WEL noted that ILO Equal Remuneration Convention No. 100 contains a specific definition of 'remuneration' for the purposes of defining equal remuneration. Also WEL argued that the drafting of the bill should recognise that work may be dissimilar but has equal or comparable value. It noted that this factor of undervalued feminised work has been recognised and applied in New South Wales and Queensland legislation.
- 8.18 The committee majority draws the matter to the Minister's attention. The committee also notes that a wide range of issues relating to pay equity are being investigated by the House Standing Committee on Employment and Workplace Relations Inquiry into Pay Equity and associated issues related to increasing female participation in the workforce.

## Legal representation

8.19 The new system will be non-legalistic, the aim being to keep lawyers and contingency fee agents out of the process. Under clause 596, legal representation will

<sup>15</sup> AiG, Submission 118, p. 111.

Women's Electoral Lobby, Submission 86, p. 9.

<sup>17</sup> Ibid., p. 11.

<sup>18</sup> Ibid.

only be allowed in exceptional circumstances where FWA determines that a party is unable to represent themselves.

8.20 Concerns over restrictions on legal representation have been expressed in some submissions. Submissions questioned the need to alter the existing provision on representation without a proper analysis and data to indicate unfairness or inefficiency. While noting the intention to move away from formal processes, the Law Institute of Victoria questioned:

...why legal representation is seen a synonymous with formality. Lawyers are at the forefront of alternative dispute resolution in all areas of the law.<sup>20</sup>

- 8.21 The Law Council of Australia raised issues including the retention of a flexible 'consent' model for legal representation, and the definition of 'lawyer' for the purposes of legal representation. It was concerned that 'a lawyer who makes a written submission under Parts 2-3 or 2-6 might yet be denied leave to appear before FWA even if they needed no permission to make those submission in the first place'. The Law Council of Australia also suggested the inclusion of an equivalent provision to 100(12) of the WRA enabling automatic representation for the Minister in certain circumstances.<sup>21</sup>
- 8.22 The status of Community Legal Centres (CLCs) was also raised with the committee. They provide assistance to vulnerable workers. The Employment Law Centre of Western Australia told the committee that an exemption from the requirement to seek leave to appear before FWA is currently granted to representative organisations and peak councils and argued that this should be extended to include practitioners at community legal centres.<sup>22</sup> CLC clients are often non-unionised workers, people from non-English speaking backgrounds, those with a disability and those with dependents.<sup>23</sup> The committee was told that the requirement to seek leave would add to the burden already faced by these organisations.<sup>24</sup>
- 8.23 The National Association of Community Legal Centres Employment Network submitted that Community Legal Centres (CLCs) should have an automatic right to appear along with unions and employer groups as:

It is the policy of most CLCs working in this area to represent only clients who do not have access to other legal assistance. These people will have

<sup>19</sup> See Jobwatch, Submission 87, p. 50; Law Council of Australia, Submission 59.

The Law Institute of Victoria, Submission 101, p. 7.

<sup>21</sup> Law Council of Australia, *Submission* 59, pp. 5-6.

Mr Michael Geelhoed, Employment Law Centre of WA, *Committee Hansard*, 29 January 2009, p. 2.

<sup>23</sup> Ms Sara Kane, Employment Law Centre of WA, Committee Hansard, 29 January 2009, p. 5.

<sup>24</sup> Ms Toni Emmanuel, Employment Law Centre of WA, *Committee Hansard*, 29 January 2009, p. 6.

such disadvantage compounded if they are excluded from representation in their application to FWA.<sup>25</sup>

8.24 Evidence from DEEWR suggested that, in drawing up rules of representation before FWA, the government was concerned about costs and efficiency, and the degree of complexity of particular cases. Legal and other professional representation would be limited to make the system quicker and more informal and to reduce costs. Clause 596 provided for representation by a lawyer or a paid agent with the permission of FWA. The intention is for people to represent themselves but they would be able to be represented by their bargaining representative or an employee, member or official of a registered organisation of which they are a member'. Subclause 596(2) recognises that some people are not able to effectively represent themselves. The ACTU pointed out that it has always been the case that lawyers appear before the AIRC by leave and that leave has been rarely denied.

#### Committee view

8.25 Given the client base of vulnerable workers, the committee majority accepts the arguments put forward for Community Legal Centres to be exempt from the requirement to seek leave to appear before FWA.

#### **Recommendation 9**

8.26 The committee majority recommends that Community Legal Centres be exempt from being required to seek leave to appear before FWA.

## Arbitration and dispute resolution

8.27 While welcoming the increased powers of arbitration, some submissions expressed disappointment over the limited scope of the FWA's discretion.<sup>29</sup> Unions Tasmania called for a general dispute settling power of arbitration in the bill and was concerned that some matters may only be arbitrated with the consent of the employer. It argued that powers of conciliation are strengthened by a reserve power of arbitration in the event that resolution cannot be reached.<sup>30</sup> Such a protection for employees was available under the Tasmanian Industrial Relations Act 1984 but was not part of this bill.<sup>31</sup>

National Association of Community Legal Centres Employment Network, *Submission 106*, p. 4.

DEEWR, Submission 63, p. 44.

<sup>27</sup> Ibid., p. 57-58.

<sup>28</sup> Ms Cath Bowtell, ACTU, Committee Hansard, 17 February 2009, p. 45.

See CPSU-SPSF, Submission 77, pp. 12-15.

<sup>30</sup> Unions Tasmania, Submission 14, p. 20.

<sup>31</sup> Ibid., p. 22.

8.28 Submissions questioned whether the bill could resolve disputes regarding the application of the safety net. The ACTU noted that disputes will be conciliated but not arbitrated by FWA and claims of a breach can be pursued in court. It submitted that court remedies are not adequate and cited the following example:

If a safety net confers a discretionary power upon an employer (such as a power to set rosters), and the discretion is used lawfully but unfairly, employees will have no effective remedy.<sup>32</sup>

- 8.29 The ACTU suggested that at the very least, FWA should have the power to arbitrate a limited range of disputes about the unfair exercise of employer discretions conferred by safety net instruments.<sup>33</sup>
- 8.30 The ASU submitted that FWA should have the power of binding arbitration with regard to resolution of award entitlement related disputes, NES entitlement related disputes, and disputes arising under enterprise agreements.<sup>34</sup>
- 8.31 The Shop, Distributive and Allied Union (SDA) argued that parties need to access arbitration in cases where there is an intractable dispute as there will invariably be disputes about the practical implementation of the employee rights guaranteed by the NES. SDA cited areas such as work on public holidays and rosters:

An employer who requests an employee to work on a public holiday will always insist that their request is reasonable and the employee's refusal of the request is unreasonable.<sup>35</sup>

- 8.32 SDA noted that recourse to a court in such disputes was a costly process for both employee and employer when a resolution could more easily be made through the FWA.<sup>36</sup> SDA recommended including the right for employees to access arbitration when a dispute arose about the operation of the NES, an award or an enterprise agreement. This was supported by other organisations including the ASU.<sup>37</sup>
- 8.33 The Australian Nursing Federation also advocated that FWA should have the widest powers possible, including arbitration.<sup>38</sup> The TCFUA believed that arbitration will in many instances be very difficult to achieve and argued that access to arbitration should be available to settle all types of disputes, unencumbered by onerous

<sup>32</sup> ACTU, Submission 13, p. 50.

<sup>33</sup> ACTU, Submission 13, p. 50.

<sup>34</sup> See ASU, Submission 56, p. 53; ASU Victorian Private Sector Branch, Submission 79, pp. 13-14.

<sup>35</sup> SDA, Submission 12, p. 12.

<sup>36</sup> Ibid., p. 13.

<sup>37</sup> ASU, Submission 56, p. 19.

<sup>38</sup> ANF, *Submission 61*, p.5.

requirements. It feared that the court processes will not be conducive to the settlement of disputes and will inhibit employees from bringing actions.<sup>39</sup>

- The ACTU welcomed the increased range of options open to a court to deal with breaches. It regretted that there is no provision for FWA to resolve interest-based disputes arising over the application of the agreement without the parties' consent. Nor could disputes be settled by arbitration. 40 It added that there is no constitutional impediment to FWA exercising non-judicial dispute settlement functions as the FWA had already been given powers to settle interest-based disputes arising during bargaining. It submitted that FWA should be able to arbitrate a limited range of disputes that arise during the life of the agreement.<sup>41</sup>
- Dr John Buchanan suggested tribunal members be provided with clear guidelines for parties to reach agreement, and if this did not occur, members be given a 'free hand' in settling disputes. He pointed out that arbitration has worked well at the state level without 'stifling bargaining'. 42

#### Committee view

- 8.36 The bill provides new powers to the independent industrial umpire, now FWA, which had been left largely powerless by WorkChoices. FWA will be given broad powers to assist in resolving workplace issues at the request of one party, and can mediate, conciliate, call compulsory conferences, make orders and (in defined situations) issue workplace determinations.
- 8.37 Apart from limited exceptions where public interest concerns warrant intervention, FWA will not have power to arbitrate the outcome of a dispute. It is up to the parties to bargain to achieve a resolution. The new good faith bargaining rules will ensure that all parties conduct themselves properly at the bargaining table. The ability for one party to request FWA to guide and conduct conciliation will allow parties who are having difficulty in achieving constructive negotiations with the other party to seek FWA's assistance. Currently, for the AIRC to be involved in any way, all parties must agree and this effectively rewards recalcitrant parties (be they (employers or unions) who are not prepared to engage in a reasonable way. It is important to note however that it is inherent in all aspects of the bill that parties are entitled to take a tough stance in negotiations.
- The committee majority notes, however, that FWA will be able to amend an award at any time in order to resolve ambiguities or uncertainties and it will undertake

<sup>39</sup> TCFUA, Submission 11, pp. 47-48.

<sup>40</sup> ACTU, Submission 13, p. 50.

<sup>41</sup> Ibid., pp. 51-52.

<sup>42</sup> Dr John Buchanan, Submission 150, pp. 4-5. See alsp Dr Buchanan, Committee Hansard, 18 February 2009, p. 40.

four-yearly reviews to ensure the award remains relevant and reflects community standards.

- 8.39 FWA will not be able to settle disputes about the application of the NES or a modern award by arbitrating. This is because settling a dispute about the application of the NES or modern award would involve determining existing rights and the exercise of judicial power. It is important to note that there have always been constraints on the AIRC and its predecessors exercising judicial powers given that they also exercise arbitral functions. Parties can enforce their rights under the Act, the NES, a modern award or an enterprise agreement in a court.
- 8.40 Submissions have raised the concern that a court when enforcing a provision of an award or agreement does not have regard to issues of general fairness. A court's role is to enforce a provision of the instrument or the Act as it is drafted, and a court cannot create a new or varied right. However, courts are able to examine whether conduct is reasonable or fair as part of an enforcement task where those concepts are included in the instrument being enforced. It is open to the legislature when drafting the Act, to those drafting agreements and to FWA when establishing award terms to set out the matters to be considered in the exercise of a particular right.
- 8.41 There are a significant number of NES and award entitlements that include concepts such as fairness or reasonableness. For instance, a person's entitlements under the NES to be absent and to be paid on a public holiday would depend on whether the:
- employee is a national system employee;
- day is/was a public holiday within the meaning of the NES;
- day is/was a public holiday in the place where the employee is/was based for work purposes;
- employer requested that the employee work; and
- employer's request was unreasonable or the employee's refusal to work was unreasonable.
- 8.42 In deciding whether an employer contravened this provision, a court would make an assessment of these elements, and would consider all of the relevant circumstances in deciding whether the employer's request was unreasonable or the employee's refusal to work was reasonable.
- 8.43 Examples of award clauses that include concepts of fairness or reasonableness include those relating to the working of overtime, casual conversion, reasonable deductions from salary, probation periods and transport home after working overtime. Similarly, the concept of reasonableness is used in a number of the NES and in other provisions of the bill.
- 8.44 The bill includes significant improvements in the enforcement regime that will make it more effective and less formal. The Federal Court and the Federal

Magistrates Court and any state court exercising powers under the bill will be able to make any order they consider appropriate to remedy a contravention. This may include injunctions and the courts will not be restricted to just imposing a penalty or ordering payment of an unpaid amount.

- 8.45 The bill encourages parties to use FWA mediation or other dispute resolution processes before taking the step of going to the court. When considering whether to make a costs order, the courts will be able to take into account whether or not a party has genuinely participated in FWA mediation or a dispute resolution process.
- 8.46 The courts will continue to use mediation where appropriate and FWA will be able to pursue arrangements with courts to provide mediation services on their behalf in some circumstances. The current small claims mechanism will be extended to the Federal Magistrates Court. The monetary limit under the small claims procedure will be increased to \$20,000.
- 8.47 When dealing with a matter under the small claims procedure, the Federal Magistrates Court (or a state or territory magistrates court) may act in an informal manner. It will not be bound by formal rules of evidence and it may act without regard to legal form and technicality. These changes will make the process of enforcing entitlements simpler and easier to access and the remedies available will be better able to remedy the effect of a contravention.
- 8.48 It is also worth noting that the department is committed to a post-implementation review of the workplace relations system under the government's best practice regulation requirements. This review will be undertaken in consultation with the Office for Best Practice Regulation. The effectiveness of the enforcement and dispute resolution regime would form part of that review.

## Review of enterprise agreements

- 8.49 Clause 653 directs the General Manager of FWA to review the developments in making enterprise agreements every three years on the following persons:
- women;
- part-time employees;
- persons from non-English speaking backgrounds;
- mature age persons;
- young persons; and
- any other persons prescribed by the regulations.
- 8.50 Professor Peetz submitted that three year reporting is too infrequent for initial analysis of how the new system is operating. He recommended reporting every two years, perhaps then reverting to three years once the system is bedded down. He also recommended further guidance be provided to the General Manager on the breadth of

information to draw on in undertaking the reviews. Examples include data collected by FWA and surveys commissioned or published.<sup>43</sup>

## Fair Work Ombudsman

- 8.51 Part 5-2 establishes the Office of the Fair Work Ombudsman (FWO) which will replace the current Workplace Ombudsman. It will form part of FWA and will be responsible for compliance and education activities together with inspection and enforcement functions. FWA will ensure compliance with new laws, with a new Inspectorate to investigate and enforce breaches, including where necessary through the courts. Clause 683 allows the FWO to delegate their functions to a staff member or an inspector. Several submissions were critical of the organisation of the Office.
- 8.52 Professor Peetz offered the view that the education function would be best separated from the enforcement function to ensure it does not gradually take precedence. In a supplementary submission he explained that the function in clause 682 to promote compliance is appropriate but he questioned promoting 'harmonious and cooperative workplace relations'. Undertaking both functions would, in his view, create role ambiguity and this contributed to the decline of effective inspection in the 1990s. 46
- 8.53 He agreed with the view put forward by the Workplace & Corporate Law Research Group, Monash University which told the committee:
  - ...this type of role would be more appropriately located within FWA, rather than within the Fair Work Ombudsman. The promotion of harmonious and cooperative workplace relations sits uncomfortably with a body such as the Fair Work Ombudsman that is likely to be predominantly compliance-focused...<sup>47</sup>
- 8.54 The Workplace & Corporate Law Research Group also offered the view that that the establishment of FWA is an opportunity for it to take on a more expansive dispute prevention capability modelled on the Advisory Services Division of Ireland's Labour Relations Commission and/or, the information, advisory and training services provided by the Advisory, Conciliation and Arbitration Service in the UK.<sup>48</sup>

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<sup>43</sup> Professor David Peetz, Submission 132, p. 20.

<sup>44</sup> Ms Sandra Parker, *Committee Hansard*, 11 December 2008, p. 49.

Hon Julia Gillard MP, Minister for Employment and Workplace Relations, 'Introducing Australia's New Workplace Relations System', Speech to the National Press Club, 17 September 2008.

<sup>46</sup> Professor David Peetz, Supplementary Submission, Tabled papers.

<sup>47</sup> The Workplace & Corporate Law Research Group, Monash University, Submission 8, p. 2.

<sup>48</sup> Ibid.

- 8.55 DEEWR stated that the intention of the FWO will be to encourage voluntary compliance through educational activities but would take more formal steps through court proceedings, enforceable undertakings or compliance notices. It explained that these new compliance mechanisms would provide more options to resolve contraventions at the workplace level. 49
- 8.56 The Commonwealth Ombudsman raised questions about the use of the term 'ombudsman' and the 'proliferation' of the use of this term. He noted that in one sense the increasing number of offices described as ombudsman has become a 'mark of public respect associated with fair and independent resolution of grievances'. On the other hand there has been 'unconstrained and unsystemic use of the term'. In the case of the Fair Work Bill, the Commonwealth Ombudsman acknowledged the typical ombudsman functions such as investigating complaints and monitoring compliance as well as 'less typical functions' such as promoting harmonious and cooperative workplace relations, commencing legal proceedings to ensure legislation and issuing compliance notices. He also pointed out a 'marked departure' from the classic ombudsman model in two provisions that authorise the Minister to give written direction 'of a general nature' to the Fair Work Ombudsman, and to direct the Ombudsman to provide a specified report relating to the functions of the office (cl 684, 685). The Fair Work Ombudsman must comply with both kinds of direction. <sup>50</sup>

# Fair work inspectors

- 8.57 The powers of workplace inspectors will be largely retained by clause 709 and include the ability to:
- enter premises where work is performed, or where documents relating to the business are kept;
- inspect any work, process or object;
- require the production of documents; and
- interview a person (with their consent).
- 8.58 In addition, inspectors will have new powers to:
- copy relevant documents and records on premises (clause 709);
- require a person suspected of breaching a civil remedy provision to give their name and address (clause 711); and
- take an assistant on to premises to assist in an investigation (clause 710).<sup>51</sup>

<sup>49</sup> DEEWR, Submission 63, p. 53.

Professor John McMillan, Commonwealth Ombudsman, 'What's in a name? Use of the term 'ombudsman', Tabled papers.

<sup>51</sup> DEEWR, Submission 63, p. 53.

- 8.59 DEEWR advised that these new powers are consistent with inspector powers in other state and Commonwealth legislation. 52
- 8.60 For the first time, inspectors will be able to investigate and enforce common law safety net entitlements.<sup>53</sup> DEEWR explained:

Fair Work Inspectors would not be able to investigate or enforce the safety net contractual entitlements unless they reasonably believe there is also a breach of a statutory safety net entitlement. Inspectors can only enforce such contractual entitlements on behalf of an employee if they [are] also enforcing a statutory safety net entitlement. This ensures that Fair Work Inspectors do not intrude into purely contractual matters. <sup>54</sup>

#### Committee view

8.61 The committee notes that inspectors will have a wide range of enforcement powers including the new enforcement tools of accepting enforceable undertakings, improvement notices and issuing 'on the spot' penalties. These new tools will allow a significantly increased amount of effective enforcement activity to be conducted and a wider range of options short of a full prosecution to deal with contraventions in an appropriate and effective way.

<sup>52</sup> Ibid., p. 54.

<sup>53</sup> Factsheet 2 Fair Work Australia institutions – A one stop shop

<sup>54</sup> DEEWR, Submission 63, p. 54.