

**Opening statement – Sandra Parker, Fair Work Ombudsman
Senate Estimates, 31 May 2023**

My five-year appointment as Fair Work Ombudsman ends on Friday 14 July 2023.

Consequently, this will be the final time I appear before this Committee in my capacity as the Fair Work Ombudsman.

It has been an honour to lead the agency over the past five years. Collectively we implemented important reforms and delivered high quality assistance, education, compliance and enforcement outcomes for workplace participants, with an emphasis on the most vulnerable.

Shortly after my commencement in July 2018, the FWO's operating environment changed. Recommendations about regulators arising from the Banking Royal Commission, the Migrant Workers' Taskforce chaired by Allan Fels, along with increasing media and community commentary about wage theft in the restaurant and corporate sector and calls for FWO to 'toughen up', required me to review our compliance and enforcement approach and effectiveness.

I commissioned an independent review of our operations in 2018, and from 2019, made significant changes to our regulatory approach supported by stronger internal governance, to achieve stronger compliance and enforcement outcomes.

The reforms have seen the FWO's regulatory 'posture' move from less than 5% of workplace disputes dealt with by compliance and enforcement, to 20%. The FWO has shifted away from a reliance on mediation, to using court-enforceable compliance notices as our primary compliance tool. Last year we issued more than 2300 compliance notices, compared to 200 when I started at the FWO.

When I started at FWO in 2018, we were primarily a small and medium business (including franchisees) regulator. Since 2019, we have added corporate sector entities and more recently university underpayments to our compliance and enforcement priorities. We have investigated more than 100 corporate entities and multiple universities and are holding them to account for paying back many millions of dollars including interest owed to workers.

Our litigations have increased four-fold, with 137 commenced in 2021-22 compared to 23 in my first year at the FWO. That growth includes complex and high-profile matters such as Woolworths, CBA, Coles, and Melbourne University, as well as those involving exploited migrant workers such as our case against Brisbane fast food business Vege Rama, and the Delishesco sushi restaurant, and the case of 85 Degrees Coffee where we secured \$475,200 in penalties related to underpayments of international students. More recently, we also filed proceedings against the same company in its capacity as franchisor in relation to underpayments by franchisees.

Our changed regulatory approach has resulted in year-on-year significant increases in recoveries for workers, with more than \$532 million returned to 384,805 underpaid workers last financial year.

FWO staff also performed strongly during COVID, working tirelessly with other agencies to provide accurate and up to date advice to Australian employers, workers and the community through the pandemic, on their workplace rights and obligations. We also worked with the ATO to regulate Job Keeper payments and ensure they were correctly passed onto workers.

I am confident that the FWO is viewed as a tough, fair and effective regulator. I am proud of what we have achieved during the five years I have been in this role.

The FWO has been working hard to prepare for its significantly expanded regulatory role arising from the government's recent and proposed workplace relations reforms.

Given these reforms, the FWO welcomes the government's announcement of an independent review into our operations next financial year. This will ensure the agency is well placed to continue to be a highly effective regulator.

I'd like to thank my colleagues from the departments and agencies that we work with every day and our Ministers and their offices, for their support while I have been the Fair Work Ombudsman.

And finally, I'd like to recognise the work of the FWO's employees. The work of the FWO can be difficult and often involves conflict. I would like to thank my senior executive team and FWO staff for their hard work, for their genuine dedication to helping the community and for the support they have provided to me during my time at the FWO.