

Senate Standing Committee on Education and Employment

QUESTIONS ON NOTICE Supplementary Budget Estimates 2015 - 2016

Agency - Fair Work Ombudsman

Department of Employment Question No. EMSQ15-000395

Senator Lines provided in writing.

Question

FWO - Procedure for action taken in relation to underpayment of wages

Could you please tell us what the FWO does presently if they find an employer who has underpaid wages?

How does the FWO determine what action to take in relation to underpayment of wages?

Answer

Section 6 of the Fair Work Ombudsman's Compliance and Enforcement Policy outlines the factors we consider when we receive a request for assistance from workers who have a dispute about their wages or other issues with their employer—and the action we are likely to take.

Broadly, requests for assistance involving disputes are finalised through three stages—assessment, dispute resolution, and compliance and enforcement.

Assessment involves establishing the background to a request, whether the allegations are within the Fair Work Ombudsman's jurisdiction, and if they are, whether they are serious, widespread and affect people considered vulnerable.

The dispute resolution process involves applying appropriate treatment models to support resolution, often by working with both parties. This involves various advice and assistance measures contained in our 'early intervention' strategies or more structured/inter-party mediation.

In 2014 – 2015, through dispute resolution processes:

- More than \$3 million was recovered through 7,372 early interventions.
- Over 6,000 workplace disputes were finalised by the Mediation team, assisting employees to recover almost \$7.7 million in back-payment.

Compliance and enforcement usually occurs where the matter indicates serious non-compliance and involves intervention by a Fair Work Inspector.

The above activities are outlined on pages 21 – 24 of the Fair Work Ombudsman's 2014–2015 Annual Report, available at www.fairwork.gov.au/about-us/reports-and-submissions/annual-reports

The Fair Work Ombudsman's Compliance and Enforcement Policy is available at www.fairwork.gov.au.