

Regulator helps Melbourne factory workers gain access to over \$500,000 back-pay

14 July 2010

Forty-five workers who lost their jobs when a Melbourne factory closed earlier this year can now apply to the Federal Government for over \$500,000 back-pay following Fair Work Ombudsman support for a legal bid to force the employer into liquidation.

The workers were employed by Jaido Pty Ltd, which traded as Scallywags Socks, before the company closed its Heidelberg West factory in May.

The Fair Work Ombudsman investigated the company after the Textile Clothing and Footwear Union of Australia lodged a complaint about unpaid superannuation contributions.

Fair Work inspectors discovered Jaido had allegedly failed to pay-out \$537,000 in termination entitlements and \$54,000 in superannuation to 45 employees dismissed when the factory closed.

Fair Work Ombudsman Executive Director Michael Campbell says it became clear that there was a high risk the employees would receive only a small amount of their entitlements.

Following an application in the Victorian Supreme Court by a company creditor, the Fair Work Ombudsman – for the first time - made legal submissions supporting Jaido being placed into liquidation.

Mr Campbell says the Agency took this approach to ensure the employees were eligible to seek their termination entitlements through the Commonwealth General Employee Entitlement and Redundancy Scheme (GEERS).

After hearing all submissions, including those of the Fair Work Ombudsman, Associate Justice Simon Gardiner ordered the company into liquidation.

Mr Campbell says the decision is heartening for the employees, one of whom had been working for the company for more than 36 years.

“Without this outcome, there was a real risk the employees would have been left high-and-dry - but we are confident they will now receive most, if not all, of the money owing to them,” he said.

Mr Campbell says it was important for the Fair Work Ombudsman to act quickly because workers are only eligible for GEERS assistance when their employer goes into liquidation within six months of them losing their jobs.

While it is the first time the Fair Work Ombudsman has made legal submissions supporting a company being wound-up, Mr Campbell says the Agency will consider making similar submissions in the future if necessary to protect employee entitlements.

Employers or employees seeking assistance or further information should contact the Fair Work Infoline on 13 13 94 from 8am-6pm weekdays or visit www.fwo.gov.au For translations, call 13 14 50.

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Contact us

Fair Work Online: www.fairwork.gov.au

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Call through the National Relay Service (NRS):

For TTY: 13 36 77. Ask for the Fair Work Infoline 13 13 94

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