

Regulator commences action in New Zealand in bid to recover underpayments for WA workers

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The Fair Work Ombudsman has initiated legal action in the New Zealand High Court in a bid to recover hundreds of thousands of dollars owing to 14 Western Australian workers.

It is the first time the regulator has taken action outside Australia.

Facing court is NZ company New Image International Ltd, the parent company of Omegatrend International Pty Ltd.

Omegatrend - a direct marketing company selling health food products - went into liquidation in July, 2007 owing 14 of its Perth-based marketing and administration staff more than \$600,000 in unpaid entitlements.

Fair Work Ombudsman Executive Director Michael Campbell says the decision to pursue the company is an important demonstration of the lengths the Agency will go to bring about wage justice.

"When it is appropriate to do so, the Fair Work Ombudsman will not shy away from pursuing these matters in overseas jurisdictions if the legal regime exists to do so and there is some reasonable hope of recovering unpaid entitlements," Mr Campbell said.

New Image International Ltd is associated with the New Image Group Ltd, which is listed on the New Zealand Stock Exchange.

Mr Campbell says the NZ proceedings are aimed at securing Court Orders that would allow the liquidator of Omegatrend to examine documents and to interview under oath New Image International founder and executive chairman Graeme Clegg - as well as other current and former directors and employees - regarding the collapse of Omegatrend.

"In particular, the liquidator is investigating the circumstances relevant to the purchase by New Image International of Omegatrend's assets for an amount that appears to have been below the market value of the assets," he said.

"It is believed that the sale of the assets left Omegatrend with no means to meet its commitments or earn further income."

New Image International closed the Perth office of Omegatrend in January, 2007, making its staff redundant. At the time, New Image International agreed to pay Omegatrend employees their entitlements in fortnightly instalments, but wrote to them in April, 2007, to advise that no further payments would be made.

Mr Campbell says the workers took it upon themselves to pursue their outstanding entitlements by going to the WA Supreme Court, which subsequently appointed Ferrier Hodgson as liquidator to investigate Omegatrend's affairs.

He says the Fair Work Ombudsman has decided to support the employees and the liquidator to further inquire into the circumstances of New Image International's purchase of Omegatrend's assets.

"Despite repeated attempts by the Fair Work Ombudsman and the liquidator to resolve this matter, New Image International and its directors have refused to discuss rectifying the outstanding entitlements," Mr Campbell said.

The Fair Work Ombudsman has a number of tools and resources on its website, www.fairwork.gov.au, to assist employers and employees alike to understand their respective rights and obligations. Alternatively, the Fair Work Infoline 13 13 94 is open from 8am-6pm weekdays.

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