

## Courts impose \$2.1 million in penalties

28 October 2011

Court-ordered penalties as a result of litigations commenced by the Fair Work Ombudsman amounted to more than \$2.1 million last financial year.

The Courts also ordered the return of more than \$2 million in unpaid wages and entitlements to more than 2400 workers.

Fair Work Ombudsman Nicholas Wilson says that since 2006, penalties arising from the Agency's legal activity have exceeded \$7.7 million.

"In 2010-11, the Fair Work Ombudsman initiated 55 litigation matters - 41 of them over underpayment of wages," he said.

"Four prosecutions related to sham contracting, two each for agreement making, unlawful industrial action, failure to comply with a notice to produce and discrimination and one each for breach of freedom of association and adverse action."

The Fair Work Ombudsman generally takes legal action as a "last resort" in a broader compliance system.

Commonly, legal action is initiated where breaches of workplace law have significant consequences, are of significant public interest, relate to a vulnerable community group or an employer fails to rectify the contravention.

Litigation is also considered as a deterrent to others or where there may be a need for judicial clarification of workplace law.

The Agency also entered into 11 Enforceable Undertakings as an alternative to legal action.

The Fair Work Ombudsman's spend on external legal fees last financial year was \$2.8 million, down 38 per cent on the \$4.6 million the previous year.

Mr Wilson says the decrease is largely attributable to the significant number of matters now being run in-house.

Decisions arising from the Fair Work Ombudsman's prosecutions are posted on the website at [www.fairwork.gov.au](http://www.fairwork.gov.au).

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