

Court dismisses allegations against retailer

16 May 2016

The Federal Court has dismissed the Fair Work Ombudsman's legal action against an international retail company.

In 2013, the Fair Work Ombudsman commenced legal action Ecosway Pty Ltd, which sold a range of health care, nutrition and beauty-related products through dozens of stores across Australia at that time, as well as through a direct marketing network of 'business owners'.

The Fair Work Ombudsman alleged that the company engaged in sham contracting activity that resulted in a worker it had engaged to operate its stores at Unley and Kensington Park, in Adelaide, being underpaid more than \$32,000 in 2011-2012.

It was alleged that Ecosway breached sham contracting laws when it misrepresented to the worker that she was an independent contractor when her correct classification was as an employee.

The Federal Court has now ruled that the worker's correct classification was an independent contractor and dismissed the allegations made by the Fair Work Ombudsman.

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Media inquiries:

Ryan Pedler, Assistant Media Director

Mobile: 0411 430 902

ryan.pedler@fwo.gov.au (<mailto:ryan.pedler@fwo.gov.au>)

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Contact us

Fair Work Online: www.fairwork.gov.au

Fair Work Infoline: 13 13 94

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