# Frequently asked questions – compliance notices

## What is a compliance notice?

A compliance notice is a written notice requiring an employer to fix contraventions of workplace laws within a specified timeframe (for example, 28 days).

## When is a compliance notice issued?

When a Fair Work Inspector reasonably believes an employer has contravened workplace laws, they can issue a compliance notice instead of commencing court proceedings against an employer for the contraventions. The compliance notice provides the employer an opportunity to fix the issue without going to court and possibly having to pay significant penalties.

## What is considered before issuing a compliance notice?

Fair Work Inspectors look at **what the employee’s legal minimum entitlements are** and **if they have been met**. They consider the evidence available, which may include statements, pay slips and time and wages records the employer or employee have provided.

When enforcing minimum entitlements, a Fair Work Inspector **can’t** consider:

* agreements to be paid less (employees can’t agree to be paid less than their minimum entitlements)
* debts owed by the employee (an employer can’t ordinarily take money from an employee’s pay because of things like breakages, unreturned uniforms, vehicle damage, etc.)
* poor performance or behaviour by the employee
* the employer not being aware of the applicable minimum entitlements.

## What should I do when I receive a compliance notice?

It’s in your best interests to take action in response to a compliance notice by the due date. If you comply and provide evidence of compliance by the due date, the Fair Work Ombudsman (FWO) cannot take further action against you for the breaches outlined in the compliance notice. **Complying with a compliance notice is not an admission that the contraventions occurred**. If you donot believe you have committed the contraventions in the compliance notice you may apply for a review of the compliance notice **prior to the due date** (see ‘[What if I don’t agree with the compliance notice?](#_What_if_I)’ below).

## How do I comply?

There are 4 key steps you need to take to comply with a compliance notice:

1. **Read** the compliance notice
2. **Calculate** the amount owed to the employee(s)
3. **Pay the employee(s)** what they are owed
4. **Provide proof** of payment to the Fair Work Inspector.

Find practical guidance on each step in our Compliance notices online course. Visit [fairwork.gov.au/cncourse](https://www.fairwork.gov.au/cncourse)

## Can the FWO commence legal proceedings if I don’t comply?

Yes. **Failing to comply with a compliance notice by the due date without a reasonable excuse may result in the FWO commencing legal proceedings against the employer**. People involved in the non-compliance can also be personally penalised. Courts can impose penalties for failing to comply with a compliance notice. From 1 January 2025, these penalty amounts can be up to:

* $19,800 per breach for an individual
* $99,000 per breach for a company with less than 15 employees or
* $495,000 per breach for a company with 15 or more employees. Where the breach relates to an underpayment, the penalty may be 3 times the underpayment amount or $495,000 (whichever is greater) for a company with 15 or more employees.

This is in addition to any money owed to your employees.

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| **Case study**In April 2022, a Fair Work Inspector issued a compliance notice to an employer after forming a belief they had underpaid a young employee’s minimum wages and annual leave entitlements. The employer failed to comply with the compliance notice and did not have a reasonable excuse, so the FWO took legal action.The Court imposed a $24,975 penalty against the employer for failing to comply with the compliance notice and a $4,995 penalty against the director for their involvement in the failure to comply with the compliance notice. In addition to imposing 75 percent of the then respective maximum available penalties, the Court ordered the employer to comply with the compliance notice requirements (calculate the amounts owed to the employee and pay them in full) and pay interest. **Find more real-life case studies in our Compliance notices online course at** [**fairwork.gov.au/cncourse**](https://www.fairwork.gov.au/cncourse) |

## What help is available?

The FWO will work with you to fix the issues. Seek help early if you don’t understand what you need to do. You can:

* **contact the Fair Work Inspector who issued the compliance notice to discuss what you need to do**. Translation services are available
* complete our **free Compliance notices online course** at [fairwork.gov.au/cncourse](https://www.fairwork.gov.au/cncourse)
* seek assistance from your accountant, legal adviser, or employer association
* use the free tools and resources on our website at [fairwork.gov.au/tools-and-resources](https://www.fairwork.gov.au/tools-and-resources)



## What if I can’t comply on time?

Contact the Fair Work Inspector who issued the compliance notice to discuss the situation as soon as possible.

If you are unable to comply because you don’t have the records needed to calculate what is owed, the Fair Work Inspector may be able to provide information or records kept by the employee to assist you.

**Note:** Providing false or misleading documents or information to the FWO is unlawful and carries penalties of up to $495,000 per breach.

For more on penalties visit [fairwork.gov.au/litigation](https://www.fairwork.gov.au/litigation)

## What if I don’t agree with the compliance notice?

You can apply to the Federal Court, the Federal Circuit and Family Court (Division 2) or an eligible State or Territory Court to review the compliance notice on the following grounds:

* the contraventions in the compliance notice did not occur, and/or
* the compliance notice does not comply with the Fair Work Act 2009.

If you’re considering this option, we recommend **you promptly seek legal advice** and apply to the court **before the compliance notice due date.**

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| **CONTACT US** |   |
| Fair Work online: [fairwork.gov.au](https://www.fairwork.gov.au/)Fair Work Infoline: **13 13 94****Need language help?**Contact the Translating and Interpreting Service (TIS) on **13 14 50** | **Help for people who are deaf or have hearing or speech difficulties**You can contact us through the National Relay Service (NRS).Select your [preferred access option](https://www.accesshub.gov.au/about-the-nrs/nrs-call-numbers-and-links) and give our phone number: **13 13 94** |
| The Fair Work Ombudsman is committed to providing you with advice that you can rely on. The information contained in this fact sheet is general in nature. If you are unsure about how it applies to your situation you can call our Infoline on 13 13 94 or speak with a union, industry association or a workplace relations professional. | Last updated: December 2024© Copyright Fair Work Ombudsman |