



## **The FWO is Cracking Down - Underpayments and Failure to abide by Compensation Orders**

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Data recently released by the Fair Work Ombudsman (FWO), identified that 15,500 workers were underpaid by more than \$23 million last year. The FWO has been imposing heavy fines on businesses who fail to abide by compensation orders. Their annual report revealed the FWO had recovered over \$23 million last year for 15,483 employees, with the other 37 civil penalty litigations initiated by the FWO as a result of businesses failing to comply with notices or wages.

The FWO launched into action, reviewing employers across Australia after seeing a spike in complaints from overseas workers. The FWO recovered \$67,000 in underpayments for 77 visa holders in 2012, increasing to \$262,000 in 2013 and \$345,000 last year. The hospitality industry may be a particular culprit, however this is closely followed by industries hiring unskilled labour ie process workers, picker/packer etc.

While these workers may be from countries that are notorious for very low payment, when they work in Australia they are entitled to the same wages and conditions as Australian Citizens/Residents. It may be very tempting to underpay an overseas worker and give them cash in the hand – after all “it’s more than they would get in their country” – however, this would be taking a very big risk, which could result in hefty penalties.

For information regarding the pay rates, please contact Lisa Dwyer on 3915 4222 or email [esm@brismark.com.au](mailto:esm@brismark.com.au).

*Source: HC Online, 25 February 2015, by Chloe Taylor*