

Media release

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Retail giant Cotton On back-pays \$278,000 to 3289 underpaid employees

Geelong-based retail giant Cotton On has back-paid 3289 of its employees more than \$278,000 after it was discovered the company had failed to pay staff for attending training out of working hours.

The back-pay – an average of \$84.56 per employee – follows an investigation by the Fair Work Ombudsman which found that Cotton On contravened workplace laws when it failed to pay staff attending training sessions and staff meetings between February and December, 2008.

Cotton On voluntarily repaid all money owing last year and has entered into an Enforceable Undertaking with the Fair Work Ombudsman, promising that it will ensure future compliance with the Fair Work Act.

As part of the Enforceable Undertaking – a measure being used by the Fair Work Ombudsman as an alternative to litigation - Cotton on must:

- Post an apology to staff (signed by the Chief Executive Officer) at all its stores, on its website and on the company's Facebook wall,
- Ensure its human resources managers undertake workplace relations compliance training within three months,
- Provide a written report to the Fair Work Ombudsman each year for the next three years to illustrate that staff are being paid correctly and identifying any proactive compliance measures.

As part of the agreement, Cotton On acknowledges that there was sufficient evidence and public interest to justify the Fair Work Ombudsman initiating legal action against the company.

In its apology to staff, Cotton On “expresses its sincere regret and apologises to all past and present employees for failing to comply with its lawful obligations” and gives a commitment that such conduct “will not occur again”.

Fair Work Ombudsman Executive Director Michael Campbell says Enforceable Undertakings are a mechanism by which the Agency can still achieve strong outcomes against wrong-doers without costly civil penalty proceedings.

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 workplace rights and obligations, or people can call **13 13 94**.

See Enforceable Undertaking:  [Cotton On Services Group Pty Ltd Undertaking - pdf 295KB](#)