



Compliance and enforcement

Amending the Fair Work Act small claims procedure

These amendments form part of an Australian Government commitment to improve compliance with, and enforcement of, the Fair Work Act.

What has changed?

The *Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022* amends the *Fair Work Act 2009* (the Act) to assist workers in recovering their unpaid work entitlements via small claims court procedures and to reduce the cost and complexity of proceedings for all parties.

The amendments:

- increase the cap on the amount that can be awarded through small claims court proceedings from \$20,000 to \$100,000. This makes the small claims procedure available to a greater number of workers.
- clarify the courts' ability to award filing fees as costs to successful small claims applicants. This reduces the deterrent effect of filing fees on the making of claims.

The above amendments are complemented by a review of the small claims procedure under the Act to consider broader reforms, which will take place in 2023.

What do these changes mean?

The small claims procedure provides a low-cost, faster and more informal means of resolving claims under the Act in the courts, such as those relating to underpayment.

Recent reports, including those of the [Migrant Workers' Taskforce](#) and [the Senate Economics References Committee *Inquiry into unlawful underpayment of employees' remuneration*](#), have highlighted that the benefits of the small claims procedure were not being fully realised. Among

the reasons cited were the low threshold of the cap on awards under the small claims procedure and the deterrent effect of having to pay filing fees.

Under these amendments, a larger number of workers are able to access dispute resolution through small claim court proceedings. The small claims procedure also reduces cost and complexity for employers responding to these claims.

When will these changes come into effect?

The changes relating to the increase of the small claims cap and filing fees will come into effect on 1 July 2023. The review of the small claims procedure will begin on 1 January 2023.

For more information on the *Secure Jobs, Better Pay* package visit:
www.dewr.gov.au/workplace-relations.