

## Melbourne travel agency lands in court for alleged cashback schemes, underpayments and false records

20 July 2017

A Melbourne travel agency and one of its directors are facing court for allegedly requiring an overseas worker to pay back more than \$20,000 of her wages and for proposing to enter into a similar cashback scheme with a second worker.

Abella Travel Pty Ltd, which operates travel agencies in both Melbourne and Korea, and director Mr Joung Hyung Lee are facing action in the Federal Circuit Court in relation to the allegations.

The Fair Work Ombudsman claims that the company told the workers, both Korean nationals, that the cashback arrangements were a condition of their 457 visa sponsorship.

It is also alleged that Abella Travel underpaid the two workers a total of more than \$17,000 and provided false and misleading records to the Fair Work Ombudsman.

The Fair Work Ombudsman investigated the matter after receiving requests for assistance from the two workers.

The first employee was allegedly told she had to pay the company back sums ranging from \$289 to \$387 in cash each week for approximately one year.

The employee complied with this demand, allegedly resulting in cashback payments totalling \$20,854 during the course of her employment.

The second employee was allegedly told by Mr Lee that when her application for a 457 visa was approved, she would be paid a "full" salary of \$59,000 per year but would be required to pay back \$19,000 per year.

While this arrangement did not eventuate because the employee did not receive 457 visa approval, the Fair Work Ombudsman claims that the alleged proposed arrangement still constitutes a contravention of the Fair Work Act.

It is alleged that in addition to the cashback schemes, the employer failed to pay the workers' applicable wage, penalty and overtime rates as well as leave entitlements. In total, it is alleged that the workers are owed \$38,328.

The company has back-paid \$6,505.94 to the workers, with \$31,822.12 outstanding.

Acting Fair Work Ombudsman Mark Scully said this was not the first time that Abella Travel had come to the agency's attention.

In 2014, the company entered into an Enforceable Undertaking (EU) with the Fair Work Ombudsman after being found to have underpaid an employee, also a Korean national, more than \$4,200 and failing to meet recordkeeping and payslip requirements. See [Abella Travel EU \(www.fairwork.gov.au/about-us/news-and-media-releases/archived-media-releases/2015-media-releases/march-2015/20150317-abella-travel-eu-presser\)](http://www.fairwork.gov.au/about-us/news-and-media-releases/archived-media-releases/2015-media-releases/march-2015/20150317-abella-travel-eu-presser).

"Repeated interactions with my agency mean this employer is aware of their workplace obligations in relation to wage rates, leave entitlements and record keeping requirements," Mr Scully said.

"Visa holders are entitled to the same minimum rates and conditions as Australian workers.

"The fact that we have previously put this employer on notice and the vulnerable status of the employees as visa-holders were significant factors in the decision to commence legal action in this case," Mr Scully said.

Mr Scully said that the matter was the latest in a series of cases brought before the courts by the agency that involve alleged cashback schemes.

"I am concerned that cashback schemes are being utilised by unscrupulous operators in an attempt to get around record keeping laws and disguise serious underpayment of wages," Mr Scully said.

"I encourage any workers who find themselves in this situation to document what is going on by making their own records and contact the Fair Work Ombudsman for free advice and assistance."

Employers and employees seeking assistance can visit [www.fairwork.gov.au](http://www.fairwork.gov.au) or call the Fair Work Infoline on 13 13 94. An interpreter service is available on 13 14 50.

Information to assist people from culturally and linguistically diverse backgrounds has been translated into 30 languages and is available on the website.

Follow Fair Work Ombudsman Natalie James on Twitter [@NatJamesFWO](https://twitter.com/NatJamesFWO) (http://twitter.com/NatJamesFWO) , the Fair Work Ombudsman [@fairwork\\_gov\\_au](https://twitter.com/fairwork_gov_au) (http://twitter.com/fairwork\_gov\_au) or find us on Facebook [www.facebook.com/fairwork.gov.au](https://www.facebook.com/fairwork.gov.au) (http://www.facebook.com/fairwork.gov.au) .

Sign up to receive the Fair Work Ombudsman's media releases direct to your email inbox at [www.fairwork.gov.au/mediareleases](http://www.fairwork.gov.au/mediareleases) ([www.fairwork.gov.au/mediareleases](http://www.fairwork.gov.au/mediareleases)) .

Media inquiries:

Yasmin Daymond, Assistant Director - Media

Mobile: 0421 630 460

[yasmin.daymond@fwo.gov.au](mailto:yasmin.daymond@fwo.gov.au) (<mailto:yasmin.daymond@fwo.gov.au>)

**Page reference No: 7481**

## Contact us

Fair Work Online: [www.fairwork.gov.au](http://www.fairwork.gov.au)

Fair Work Infoline: 13 13 94

Need language help?

Contact the Translating and Interpreting Service (TIS) on 13 14 50

Hearing & speech assistance

Call through the National Relay Service (NRS):

For TTY: 13 36 77. Ask for the Fair Work Infoline 13 13 94

Speak & Listen: 1300 555 727. Ask for the Fair Work Infoline 13 13 94

---

The Fair Work Ombudsman is committed to providing advice that you can rely on. The information contained on this website 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 workplace relations professional. Visitors are warned that this site may inadvertently contain names or pictures of Aboriginal and Torres Strait Islander people who have recently died.