

Former economics professor faces court for alleged underpayment of overseas workers

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A former economics professor is facing court after he allegedly paid overseas workers at his Asian grocery store in the Melbourne CBD as little as \$10 per hour, despite having been put on notice of workplace laws.

The Fair Work Ombudsman has commenced legal action in the Federal Circuit Court against Jordan Shan and the company Jenni International Pty Ltd, which previously operated the Dae Bark Mart grocery store in Flinders Street.

Mr Shan was the sole director of Jenni International at the time of the alleged contraventions.

Mr Shan was also formerly an Associate Professor of Applied Economics at the Victoria University of Technology.

It is alleged Mr Shan and Jenni International underpaid two employees from South Korea a total of \$14,015 over a period of less than four months in 2016.

The employees, aged in their mid-20s, were in Australia on 417 working holiday visas.

One of the employees, engaged full-time, worked six or seven days a week with duties including ordering and stacking stock, while the other was a part-time cashier.

Fair Work Ombudsman inspectors investigated after the workers lodged requests for assistance.

It is alleged the workers were paid flat rates of \$10 to \$12.50 per hour, despite being entitled to minimum hourly rates of \$19.44 for ordinary hours, \$24.30 on Saturdays, \$38.88 on Sundays and up to \$48.60 for overtime under the General Retail Industry Award 2010, at the time.

The company and Mr Shan also allegedly failed to pay accrued annual leave entitlements at the end of the workers' employment.

It is alleged that the underpayments occurred despite the Fair Work Ombudsman having previously put Mr Shan on notice of Commonwealth workplace laws while investigating an alleged underpayment of a worker at a restaurant operated by Jenni International.

Acting Fair Work Ombudsman Kristen Hannah says the seriousness of the alleged contraventions, including low rates of pay, vulnerable workers and an employer who had been put on notice, were key factors in deciding to take legal action.

"A clearly well-educated employer allegedly blatantly underpaying workers even after being informed of their lawful obligations is completely unacceptable conduct," Ms Hannah says.

"We also treat cases involving underpayment of overseas workers particularly seriously because we are conscious that they can be vulnerable due to a lack of awareness of their entitlements, language barriers and a reluctance to complain."

Mr Shan is facing penalties of up to \$10,800 per contravention and Jenni International faces additional penalties of up to \$54,000 per contravention.

In addition, the Fair Work Ombudsman is seeking Court Orders for Mr Shan and Jenni International to back-pay the two workers in full plus interest, and sign-up to the My Account portal at www.fairwork.gov.au.

An Order is also being sought to require the company to engage a workplace relations professional to provide training to company managers on their legal workplace obligations.

The Fair Work Ombudsman additionally seeks an injunction restraining Mr Shan from underpaying or otherwise breaching retail employees' entitlements in future. If the injunction is granted, Mr Shan could face contempt of court proceedings for any further contraventions proven in court.

A hearing is scheduled in the Federal Circuit Court in Melbourne for 27 July 2018.

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Media inquiries:

Matthew Raggatt, Senior Media Adviser

Mobile: 0466 470 507

matthew.raggatt@fwo.gov.au (<mailto:matthew.raggatt@fwo.gov.au>)

Page reference No: 8221

Contact us

Fair Work Online: www.fairwork.gov.au

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