

Tasmanian hotel operators fined almost \$50,000 for underpaying workers

29 April 2011

The operators of a Tasmanian hotel have been fined a total of \$47,920 after deliberately underpaying two workers less than \$9000.

Lufra Investments Pty Ltd, which operates the Best Western Lufra Hotel at Eaglehawk Neck, east of Hobart, has been fined \$40,000 - and the company's managing-director and part-owner, John Shepley, has been fined a further \$7920.

The fines were imposed in the Federal Magistrates Court in Melbourne following an investigation and prosecution by the Fair Work Ombudsman.

Federal Magistrate Philip Burchardt imposed the penalties after finding Shepley was centrally involved in Lufra Investments failing to pay \$8592 in entitlements to two employees after they resigned in December, 2007.

The employees, a husband and wife, had been working at the Best Western Lufra Hotel for three years and were each owed \$4296 in wages, superannuation and accrued annual leave entitlements.

Federal Magistrate Burchardt said Shepley and Lufra Investments "repeatedly refused" to pay the couple their entitlements "on the basis of a number of misconceived arguments".

Federal Magistrate Burchardt described the breaches as "serious" and "deliberate" and said general deterrence of such breaches was an important consideration.

"It is important particularly in the retail and hospitality industry, in which, as decisions of this Court show, non-compliance is regrettably rife," he said.

Lufra Investments back-paid the workers most of the money owing in 2009 but still owes them approximately \$300 each.

Lufra Investments also failed to pay the workers at least fortnightly and failed to keep proper employment records.

Fair Work Ombudsman Executive Director Michael Campbell says that withholding a worker's pay because of a grievance is unlawful and completely unacceptable.

"We will not hesitate to pursue companies and individuals who deliberately refuse to pay their staff their full legal entitlements," he said.

Employers or employees seeking assistance should contact the Fair Work Infoline on 13 13 94 or visit www.fairwork.gov.au. An interpreter service is available on 13 14 50.

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Contact us

Fair Work Online: www.fairwork.gov.au

Fair Work Infoline: 13 13 94

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Call through the National Relay Service (NRS):

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

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