

## Illawarra company faces court over alleged sham contracting

10 August 2011

Note: Reference to prosecution in this media release is a general reference to the FWO commencing proceedings for the imposition of civil penalties and should not be taken to be a reference to criminal proceedings.

The Fair Work Ombudsman has launched a prosecution against a company in the NSW Illawarra region for allegedly engaging in sham contracting activity that resulted in four workers being underpaid more than \$8000.

Facing court is Metro Northern Enterprises Pty Ltd, an Albion Park-based company engaged in selling home-ware products.

Documents lodged in the Federal Magistrates Court in Sydney allege Metro Northern Enterprises breached the sham contracting provisions of workplace laws last year in relation to four sales promotion workers.

The workers, three women and one man aged in their 20s and 30s, promoted home-ware products throughout the region from January to March, 2010.

It is alleged Metro Northern Enterprises classified the workers as independent contractors and paid them on a commission-only basis.

However, it is alleged the workers should have been classified as employees, as they were required to attend work and perform duties as directed by Metro Northern Enterprises.

Court documents allege the incorrect classification led to the workers being underpaid minimum wage rates, overtime, annual leave pay and a vehicle allowance.

The workers were allegedly underpaid amounts ranging from \$1588 to \$2615.

Fair Work inspectors investigated when the workers lodged complaints after they resigned.

Metro Northern Enterprises allegedly committed multiple breaches of workplace law and faces maximum penalties of up to \$33,000 per contravention.

The Fair Work Ombudsman is also seeking a Court Order for the company to rectify the alleged underpayment of the workers.

A directions hearing is listed for September 30.

Employers and workers seeking advice or assistance regarding independent contracting and sham contracting can visit the Fair Work Ombudsman's website at [www.fairwork.gov.au/contractors](http://www.fairwork.gov.au/contractors) ([www.fairwork.gov.au/find-help-for/independent-contractors](http://www.fairwork.gov.au/find-help-for/independent-contractors)) .

They can also contact the Fair Work Infoline on 13 13 94. An interpreter service is available by calling 13 14 50.

Follow the Fair Work Ombudsman on [@fairwork\\_gov\\_au](https://twitter.com/fairwork_gov_au) ([https://twitter.com/fairwork\\_gov\\_au](https://twitter.com/fairwork_gov_au)) .

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## 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

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