

Director fined \$72,000 over underpayments

2 June 2011

The sole director of a former recycling company has been fined \$72,000 for his involvement in underpaying 10 Canberra workers more than \$250,000 and unlawfully sacking three of them for complaining.

Queensland man Dennis Richter, who was the sole director of Aussie Junk Pty Ltd before the company went into liquidation in 2009, has received the fine in the Federal Magistrates Court in Canberra.

Federal Magistrate Warwick Neville imposed the penalty following an investigation and prosecution by the Fair Work Ombudsman.

Richter admitted he was involved in underpaying 10 Aussie Junk employees a total of \$259,000 between 2004 and 2008. He also admitted further breaching workplace laws by sacking three of the employees for lodging complaints with the Fair Work Ombudsman.

Federal Magistrate Neville ordered that Richter's fine go towards partially rectifying the underpayments of the 10 employees.

Federal Magistrate Neville found that Richter had been "wilfully blind" to his responsibilities as an employer and said the underpayment-related conduct "must be sheeted home to Mr Richter".

The underpaid employees worked at the Mitchell resource and recycling depot in Canberra and some were paid as little as \$50 cash-in-hand for nine-hour Sunday shifts at the garbage dump site.

The employees were underpaid their minimum hourly rate, overtime, casual loadings, various allowances and payment on termination of employment.

The biggest underpayment of an individual worker was \$80,724.

Fair Work Ombudsman Executive Director Michael Campbell says the penalty sends a clear message to company directors that they can be held accountable for the failures of their businesses to provide workers with their full entitlements.

"We will not hesitate to pursue individual directors in cases where they are centrally involved in denying workers their entitlements," he said.

"Successful prosecutions such as this also benefit employers who are complying with workplace laws because it helps them to compete on a level playing field."

The Fair Work Ombudsman was not able to pursue penalties against Aussie Junk after the company went into liquidation.

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

Decision: [Fair Work Ombudsman v Aussie Junk Pty Ltd \(in liquidation\) & Anor \(PDF 387.3KB\) \(www.fairwork.gov.au/ArticleDocuments/757/Fair-Work-Ombudsman-v-Aussie-Junk-Pty-Ltd-and-Anor.pdf.aspx\)](http://www.fairwork.gov.au/ArticleDocuments/757/Fair-Work-Ombudsman-v-Aussie-Junk-Pty-Ltd-and-Anor.pdf.aspx)

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