

## Record Victorian penalty as shoe store operators fined \$220,000

3 April 2012

The former operators of a chain of Melbourne shoe stores with a history of underpaying their staff have been fined \$220,000.

The penalty is a Victorian record for the Fair Work Ombudsman, which took legal action against the Henna Group Pty Ltd in the Federal Magistrates Court in Melbourne.

Henna Group, which formerly operated 'Scarpe Shoes' stores at Docklands, Chadstone and Fountain Gate and a warehouse at Hallam, has been fined \$160,000.

And the company's group manager Sahil Rasul and sole director and owner Bulbula Amin, both of Endeavour Hills, have each been fined a further \$30,000.

Federal Magistrate Grant Riethmuller found that Rasul and Amin were responsible for deliberately underpaying four staff a total of \$16,036.

Federal Magistrate Riethmuller ordered that part of the fine be used to back-pay the workers, who are owed \$5458, \$4788, \$3796 and \$1994 respectively.

The employees, three store managers and a sales assistant, were underpaid their minimum hourly rate, penalty rates, leave entitlements and wages in lieu of notice in 2009-2010.

In addition, their wages were paid on an irregular basis and they sometimes did not get meal breaks.

Federal Magistrate Riethmuller accepted evidence that five previous underpayment complaints against the Henna Group dating back to 2007 had been sustained, requiring the company to back-pay five employees a total of \$6775.

"The history of the matter indicates a deliberate disregard of industrial obligations," Federal Magistrate Riethmuller said in his judgment.

Federal Magistrate Riethmuller said there was no evidence of contrition and noted evidence that Rasul had told a Fair Work inspector he was winding-up the Henna Group and the Fair Work Ombudsman would not be able to "touch him".

"The lack of co-operation with the Fair Work inspectors also suggests that the Respondents have a complete disregard for the entitlements of their employees," Federal Magistrate Riethmuller said.

"There is a need for general deterrence and to send a message to the community, and in particular small employers, that employers must make steps to ensure correct employee entitlements are paid."

Fair Work Ombudsman Nicholas Wilson says the record penalty illustrates how seriously the Courts are now treating the deliberate underpayment of wages by some employers.

"An employee's right to be paid their full lawful entitlements for work they perform is absolutely fundamental," Mr Wilson 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."

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

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NOTE: The previous highest penalty imposed as the result of a Fair Work Ombudsman prosecution in Victoria was \$207,900 against Reiquin Pty Ltd and its director Richard Timothy Reid for underpaying five casual car washing staff at the Royal Melbourne Car Wash in Camberwell. See [Record \\$200,000 fine for Melbourne car wash for short-changing staff \(www.fairwork.gov.au/About-us/news-and-media-releases/2009-media-releases/July-2009/20090719\)](http://www.fairwork.gov.au/About-us/news-and-media-releases/2009-media-releases/July-2009/20090719)

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