

Company fined for underpaying foreign workers

21 August 2012

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.

A national cleaning company has been fined \$62,000 for underpaying 31 Sydney cleaners, a number of them foreign workers.

The Federal Magistrates Court in Sydney has today imposed the fine against the Glad Group Pty Ltd following an investigation and prosecution by the Fair Work Ombudsman.

Federal Magistrate Sylvia Emmett handed down her decision after the company admitted underpaying the employees a total of \$133,845 between October, 2008 and August, 2009.

Glad Group holds cleaning contracts for more than 125 office buildings around the country, but all of the underpaid employees worked as cleaners at 126 Phillip Street, Sydney.

The employees included international students, working holiday visa workers and recent immigrants and many of them spoke little English. Six were aged under 21 at the time.

Federal Magistrate Emmett found that Glad Group had displayed a disregard for its obligations under workplace laws, resulting in employees suffering significant loss.

The underpaid cleaners generally worked four-hour shifts at night.

The majority of the underpayments were the result of Glad Group purporting to outsource employment of the cleaners for the fourth hour of their shifts to another company - LJ & LJ King - which paid them only \$13 to \$15 an hour, when they were entitled to more than \$17 an hour.

However, because Glad Group continued to control and direct the employees for their whole shift, it was the true employer and was responsible for paying the cleaners for all work performed.

Glad Group was therefore ultimately responsible for underpaying the employees the minimum hourly rate, as well as overtime rates and toilet-cleaning allowances. Glad Group also failed to keep proper employment records.

One employee - a recent immigrant from Asia who was aged 23 at the time - was underpaid more than \$20,000.

Fair Work inspectors discovered the underpayments in 2009 when they audited Glad Group during a campaign focussing on Sydney cleaning companies.

Glad Group has since rectified the underpayments of all employees it has been able to locate. A small number cannot be found.

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.

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Contact us

Fair Work Online: 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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