

\$78,000 penalty for underpaying staff

7 February 2012

A Melbourne business operator and his company have been penalised a total of \$78,000 for underpaying four workers almost \$11,000.

Following a prosecution by the Fair Work Ombudsman, Melbourne man Sebastian Boi has been fined \$13,000 and his private company Promoting U Pty Ltd has been penalised a further \$65,000.

Through his company, Boi runs an Epping-based business engaged in designing and producing materials such as business cards, signs and uniforms for clients.

The Federal Magistrates Court in Melbourne found Boi was centrally involved in his company underpaying four employees a total of \$10,946 between 2007 and 2009.

Federal Magistrate Philip Burchardt also ordered Promoting U, which has rectified only a fraction of the underpayment, to fully back-pay the employees.

Federal Magistrate Burchardt said the underpayments by Boi and his company were deliberate, persistent and repeated.

"It is important to publicly denounce repeated contravening conduct such as that of the respondents," Federal Magistrate Burchardt said.

"I think it is also important to bring home to any other employers who are experiencing the sort of cash-flow problems described by the respondents that they nonetheless do not evade their responsibilities."

The four employees were underpaid wages when they worked as graphic designers at Promoting U for periods of one to five months - and three were also underpaid accrued annual leave entitlements when their employment ended.

The individual underpayment amounts were \$5480, \$2934, \$1998 and \$534.

Promoting U also failed to issue pay slips and keep proper employment records.

Fair Work Ombudsman Nicholas Wilson says the penalty sends a clear message that deliberately underpaying employees is a serious matter that will not be tolerated by the Courts.

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.

Media inquiries:

Ryan Pedler, Assistant Director, Media & Stakeholder Relations
0411 430 902
ryan.pedler@fwo.gov.au

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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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