

## Childcare centre operators fined \$102,000 for underpaying employees

2 July 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.

The former operators of two Melbourne childcare centres have been fined a total of \$102,000 for displaying “wilful negligence” in underpaying nine employees.

La Kosta Childcare Centre & Kindergarten Pty Ltd - which formerly operated childcare centres at Branton Drive, Hampton Park, and Heatherton Road, Noble Park – has been fined \$85,000 in the Federal Magistrates Court in Melbourne.

Keysborough man Kosta Sterjov, who is the sole director of the company and formerly assisted with managing the centres, has been fined a further \$17,000.

The penalties are the result of an investigation and prosecution by the Fair Work Ombudsman.

Federal Magistrate Dominica Whelan imposed the fines after Sterjov admitted he was involved in La Kosta Childcare Centre & Kindergarten underpaying nine employees a total of \$116,230 between July, 2005 and February, 2010.

Federal Magistrate Whelan said the childcare industry employed many low-paid workers reliant on minimum wage rates and Sterjov and the company had displayed “wilful negligence” in relation to complying with lawful minimum rates.

“It is appropriate to remind other employers in this industry of the importance of ensuring that minimum wages and conditions are met,” Federal Magistrate Whelan said.

The nine employees, all women aged mainly in their 20s and 30s, were underpaid the minimum hourly rate, annual leave entitlements, overtime pay and shift-work loading.

Three were underpaid more than \$23,000 each, including one who was underpaid \$28,349.



Fair Work inspectors discovered the underpayments when they investigated complaints lodged by the employees after they resigned.

The underpayments were rectified in full last year after the Fair Work Ombudsman launched its prosecution.

The Fair Work Ombudsman’s allegations against Sterjov’s wife Snezana, who owns the childcare centres, were discontinued.

Fair Work Ombudsman Nicholas Wilson says he will continue to take action to ensure the workplace rights of low-paid workers are respected and honored by employers.

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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