

Fines imposed after young Melbourne trainees paid just 73 cents per hour

4 March 2013

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 a Melbourne martial arts and fitness centre have been fined a total of \$45,936 for paying young trainees as little as 73 cents an hour.

Melbourne man David Michael Auty has been fined \$7,656 and his company Revolution Martial Arts Pty Ltd, which formerly operated a centre on Dorset Road at Boronia, has been fined a further \$38,280.

Federal Magistrate, Frank Turner, ordered that Auty become personally liable to pay the fine imposed on his company if it is not paid within 30 days.

The penalties, imposed in the Federal Magistrates Court in Melbourne, are the result of a prosecution by the Fair Work Ombudsman.

After investigating a complaint lodged by an employee, the Fair Work Ombudsman found that 17 staff at the fitness centre were underpaid a total of \$67,320 between July, 2009 and April, 2012.

More than \$64,000 of the underpayment related to 12 trainees, aged between 15 and 21 at the time, who were completing Certificates in Sports or Fitness.

Auty made unauthorised deductions from the trainees' wages for such things as club membership and administration fees, which resulted in them receiving actual payments of between 73 cents and \$2.74 an hour.

The trainees were entitled to have been paid between \$8 and \$16 an hour.

Auty was advised in 2006 by the Office of Workplace Services, a predecessor agency of the Fair Work Ombudsman, about minimum entitlements and restrictions on making deductions from employees' wages.

In his judgment delivered, Federal Magistrate Turner accepted that Auty was aware of his obligations, including as a result of the investigation in 2006.

"The breaches are serious, the employees were young and vulnerable," Federal Magistrate Turner said.

Some of the Revolution Martial Arts employees were also not paid annual leave entitlements and workplace laws relating to employment records were breached. The largest individual underpayment was \$12,349 of a teenage male trainee.

Auty and his company did not rectify the underpayments until after the Fair Work Ombudsman had initiated legal proceedings.

Fair Work Ombudsman, Nicholas Wilson, said the court's decision sends a message that underpayment of young workers is a serious issue and won't be tolerated.

"Young workers can be extremely vulnerable because they are often not fully aware of their workplace rights and can be reluctant to complain, so we do not hesitate to take action to protect them," Mr Wilson said.

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

Media: 08 8225 8263

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