

## Court action over alleged \$27,000 underpayment of Sydney trolley collectors

12 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.

Twelve trolley collectors in Sydney were not paid any wages over an 11-day period, it is alleged in a new prosecution case in the Federal Magistrates Court.

The Fair Work Ombudsman has launched the legal action, claiming the 12 men are owed more than \$27,000.

Two companies and three individuals are the subject of the action:

- Jay Group Services Pty Ltd, which formerly operated a trolley collecting business in the ACT and NSW;
- Xidis Aust Pty Ltd, which operates a trolley collecting business at various sites across Australia under the trading name Effective Supermarket Services;
- Jay Group Services General Manager, Jatinder Singh, who is also known as Jim Gill;
- Effective Supermarket Services owner-operator, Nick Iksidis; and
- Tejinder Singh Sandhu, who was employed by Jay Group Services and allocated work to be performed by trolley collecting workers.

The Fair Work Ombudsman alleges the 12 trolley collectors were not paid any wages during an 11-day period in July 2011, but were entitled to \$27,284 while working at the Costco shopping centre at Lidcombe, in western Sydney.

The men, aged between 19 and 32 at the time, were mostly South Korean nationals who spoke little English and were in Australia on visas.

National supermarket operator, Costco Wholesale Pty Ltd, allegedly paid Effective Supermarket Services a contract fee of \$34,633 to provide trolley collecting services at its Lidcombe shopping centre in 2011 from July 21 until it terminated the contract on July 31.

Effective Supermarket Services allegedly then sub-contracted Jay Group Services to provide the trolley collecting services at the shopping centre, paying the company a sub-contracting fee of \$14,800.

It is alleged that Mr Iksidis and Effective Supermarket Services knew that the sub-contracting fee paid to Jay Group Services was not adequate for Jay Group to meet minimum wage obligations.

It is alleged that the 12 employees worked up to 105 hours over the 11-day period, including weekend, evening and overtime work.

The employees were allegedly entitled to be paid wages ranging from \$1829 to \$2830 each - but received nothing.

Record keeping breaches are also alleged.

Fair Work Ombudsman, Nicholas Wilson, said the significant amount of money involved, and the fact that these workers were vulnerable, in that their English was limited, was a key factor in deciding to progress the case to court.

The individuals face maximum penalties of up to \$6600 per breach and the companies face maximum penalties of up to \$33,000 per breach.

The Fair Work Ombudsman is also seeking a Court Order for the employees to be paid their outstanding wages in full.

The matter is being heard in the Federal Magistrates Court in Sydney on a date to be set.

It is the fourth time the Fair Work Ombudsman has taken legal action against a company because a contract entered into allegedly did not allow for proper wages to be paid.

The three previous cases also involve alleged underpayment of trolley collectors, see:

- [Court action over alleged \\$143,000 underpayment of Adelaide trolley collectors \(www.fairwork.gov.au/about-us/news-and-media-](http://www.fairwork.gov.au/about-us/news-and-media-)

[releases/archived-media-releases/2012-media-releases/february-2012/20120226-al-hilfi-prosecution\)](#)

- [Court action over alleged \\$149,000 underpayment of SA trolley collectors \(www.fairwork.gov.au/about-us/news-and-media-releases/archived-media-releases/2012-media-releases/june-2012/20120603-al-basry-prosecution\)](#)
- [Adelaide trolley collectors allegedly underpaid \\$165,000 - two companies to face court \(www.fairwork.gov.au/about-us/news-and-media-releases/archived-media-releases/2011-media-releases/august-2011/20110814-south-jin\)](#)

"In cases where we believe breaches of workplace laws have occurred, we are committed to scrutinising the commercial processes behind those breaches and holding any involved parties to account," Mr Wilson said.

The Fair Work Ombudsman has previously taken legal action against Mr Iksidis and a company trading as Effective Supermarket Services.

In 2008, Xidis Pty Ltd, trading as Effective Supermarket Services, was fined \$120,000 for underpaying 42 trolley collectors at Albury, in NSW, a total of \$100,000 (see: [\\$120,000 fine for employer who 'bullied, intimidated, threatened, exploited and underpaid' vulnerable trolley collectors \(www.fairwork.gov.au/About-us/news-and-media-releases/2008-media-releases/August-2008/20080805\)](#) ).

In 2007, Xidis Pty Ltd, trading as Effective Supermarket Services, and Mr Iksidis were fined a total of \$25,000 for underpaying three Melbourne trolley collectors (see: [Dekic v Xidis Pty Ltd \(PDF 72.4KB\) \(www.fairwork.gov.au/ArticleDocuments/753/Dekic-v-Xidis-Pty-Ltd.pdf.aspx\)](#)

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A free interpreter service is available on 13 14 50 and information on the website is translated into 27 different languages.

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## Contact us

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