

## \$81,000 fine for underpaying workers \$360,000

24 September 2013

Fines totalling \$81,500 have been imposed against a Sydney mailing house business and a Director for underpaying 21 workers almost \$360,000.

The Federal Circuit Court in Sydney imposed a \$69,000 penalty against Palcoy Pty Ltd, which trades as Pack One and Post at Rockdale in Sydney's South.

Company Director, John Watts, of Beverley Park, was also fined \$12,500 for his role in the underpayments.

The Court heard that 21 workers, all of whom lodged complaints with the Fair Work Ombudsman, were underpaid \$359,563 between 2006 and 2009 as a result of being paid flat hourly rates of between \$11 and \$13 an hour, which were below the minimum required by relevant industrial Awards.

The company also failed to pay casual loadings, minimum shift entitlements, overtime or public holiday rates.

The Court heard that all the workers were all of Chinese heritage with limited or no English language skills, employed in manual handling duties relating to the assembly, packaging and posting of printed materials.

The highest underpayment was \$31,461 to one worker.

Fair Work Ombudsman, Natalie James, said the significant amount of the underpayment and the time taken by the company to rectify the payments were key issues in the decision to take the matter to court.

"Employers have a responsibility to ensure staff are paid according to the relevant industrial award or agreement or the minimum conditions of the National Employment Standards," Ms James said.

"In this case, although some underpayments were rectified before legal proceedings commenced, the court found that '...it took a very long time for this to happen. It is to be remembered that the applicant (Fair Work Ombudsman) came onto the scene in 2009 yet no repayments commenced until 2011.'

"The Fair Work Ombudsman strives to work with employers to voluntarily rectify underpayments identified. In the overwhelming majority of cases this occurs and we assist employers with tools and resources to help ensure they are meeting all their obligations under workplace law in the future.

"In cases where that doesn't occur, the Fair Work Ombudsman has a range of options available to it, including legal actions such as this where significant penalties can apply."

The company has been given 56 days to repay \$14,664 still outstanding to 10 employees, plus interest of \$937.79.

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