

Textile manufacturer faces Court over unlawful stand-downs, unpaid termination entitlements

A textile manufacturer in Tasmania will face court for allegedly trying to avoid termination pay-outs to six of its employees.

The workers were allegedly short-changed tens of thousands of dollars when their employer placed them on extended stand-down without wages.

The Fair Work Ombudsman has commenced legal action in a bid to have the employees fully reimbursed.

It is also seeking penalties against the company, James Nelson Pty Ltd and its sole director and part owner Wendy Langridge.

The matter will be heard in the Federal Circuit Court.

James Nelson Pty Ltd operates a weaving mill in Launceston.

Six mill staff were allegedly told in June, 2013 that they would be stood down for two-and-a-half months without pay.

About a week before they were due to return, they were allegedly advised that the unpaid stand-down would be extended to four months.

According to documents filed with the Court, the practice of informing workers shortly before return-to-work dates was again allegedly used to stretch the employees' unpaid stand-down to five months, then six months, then seven months and longer.

Fair Work inspectors investigated after receiving complaints from the employees.

The Fair Work Ombudsman subsequently told Ms Langridge and her company that it was not lawful to stand-down employees without pay because there was not enough work.

The Agency advised that the company had made its employees redundant and was lawfully obliged to pay them redundancy pay, accrued leave entitlements and payment in lieu of notice.

The employees, aged between 21 and 69, included three weavers, a storeman/forklift driver, a beamer and a plant engineer.

A total of \$43,056 is allegedly owing to the employees, with entitlements to individual workers ranging from \$5506 to \$11,101.

Fair Work Ombudsman Natalie James says inspectors made repeated efforts to engage with Ms Langridge and the company to try to resolve the matter by agreement before commencing legal action - but were not able to secure sufficient co-operation.

Ms James says it is crucially important that employers take the time to understand their obligations in relation to termination entitlements and promptly pay employees their entitlements.

"Losing paid work is a major life event and termination entitlements such as severance pay play a vitally important role in helping to support people while they make plans to re-enter the workforce," she said.

Ms Langridge faces maximum penalties of up to \$10,200 per breach and James Nelson Pty Ltd faces maximum penalties of up to \$51,000 per breach.

The Fair Work Ombudsman is also seeking a Court Order for James Nelson Pty Ltd to back-pay the workers in full.

Ms James says the Fair Work Ombudsman has a particular focus on assisting small businesses to understand and meet their obligations to employees.

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

For information about laws relating to stand-downs and shut-downs see [Pay during stand down and severe weather \(www.fairwork.gov.au/pay/pay-during-inclement-weather-and-stand-down\)](http://www.fairwork.gov.au/pay/pay-during-inclement-weather-and-stand-down) .

Online tools include [PayCheck Plus](http://paycheck.fwo.gov.au/PayCheckPlus.aspx) (http://paycheck.fwo.gov.au/PayCheckPlus.aspx) for calculating the correct wages for employees, [fact sheets \(www.fairwork.gov.au/how-we-will-help/templates-and-guides/fact-sheets/default\)](http://www.fairwork.gov.au/how-we-will-help/templates-and-guides/fact-sheets/default) , [Best Practice Guides \(www.fairwork.gov.au/how-we-will-help/templates---guides/best-practice-guides/default\)](http://www.fairwork.gov.au/how-we-will-help/templates---guides/best-practice-guides/default) and [templates \(www.fairwork.gov.au/how-we-will-help/templates---guides/templates-and-guides\)](http://www.fairwork.gov.au/how-we-will-help/templates---guides/templates-and-guides) for pay slips and time-and-wages records.

Dedicated resources for small business employers, including a Fair Work handbook, is available at our [Small business page](http://www.fairwork.gov.au/find-help-for/small-business/default) (www.fairwork.gov.au/find-help-for/small-business/default) .

Small business employers calling the Infoline can opt to be put through to the Small Business Helpline to receive priority service and they can [sign up to a regular email newsletter](http://www.fairwork.gov.au/about-us/news-and-media-releases/newsletter/default) (www.fairwork.gov.au/about-us/news-and-media-releases/newsletter/default) .

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Contact us

Fair Work Online: www.fairwork.gov.au

Fair Work Infoline: 13 13 94

Need language help?

Contact the Translating and Interpreting Service (TIS) on 13 14 50

Hearing & speech assistance

Call through the National Relay Service (NRS):

For TTY: 13 36 77. Ask for the Fair Work Infoline 13 13 94

Speak & Listen: 1300 555 727. Ask for the Fair Work Infoline 13 13 94

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