

## Melbourne furniture company director fined over employee underpayments

21 February 2014

The former director of a Melbourne furniture company has been fined almost \$30,000 for his part in underpaying two employees.

The Federal Circuit Court has imposed a penalty of \$28,512 against Siu Kit Chan following legal action by the Fair Work Ombudsman.

Chan was sole director and majority owner of Montmorency-based furniture importation and wholesaling company Iwood Australia before it went into liquidation last year.

The penalty follows an admission by Chan that he was involved in underpaying two employees, aged in their 20s, a total of \$12,704.

Judge John O'Sullivan has ordered that part of the fine be paid directly to the employees to rectify the underpayments.

One of the underpaid employees was a Malaysian national in Australia on a bridging visa who worked as an administrative assistant.

She was underpaid \$9459 in 2010-2011 as a result of being underpaid her minimum hourly rate, casual loading, leave entitlements, overtime rates, weekend penalty rates and public holiday pay.

The other affected employee - a Melbourne man who worked in the company's warehouse - was underpaid \$3245 last year as a result of being underpaid annual leave entitlements and not being paid any wages for 94 hours of work.

The Fair Work Ombudsman discovered the alleged underpayments when it investigated complaints lodged by the employees.

Fair Work Ombudsman Natalie James says extensive efforts were made to resolve the issue without going to Court but legal action was ultimately commenced following a lack of co-operation from Chan.

"This Court penalty sends a clear message that underpaying employees, particularly vulnerable foreign workers, and then failing to promptly rectify the matter is not acceptable and will not be tolerated," Ms James said.

Employers and employees seeking assistance can visit [www.fairwork.gov.au](http://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.

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[Back to top](#)

Page reference No: 2603

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