

Freezing orders imposed against Cairns company, director after non-payment of fines and back-pay

20 August 2015

The Fair Work Ombudsman has secured freezing orders against Cairns company Trek North Tours and its owner/director Leigh Alan Jorgensen.

The orders were imposed by the Federal Circuit Court.

The Fair Work Ombudsman sought the freezing orders after becoming concerned that Jorgensen would strip company assets to avoid paying over \$95,000 in Court penalties and back-pay orders.

In June, the Court fined Trek North \$55,000 and Jorgensen \$12,000 after the company failed to adhere to Compliance Notices issued by the Fair Work Ombudsman.

The Compliance Notices required the company to reimburse five overseas backpackers on 417 working holiday visas almost \$30,000 in underpaid wages and entitlements.

The backpackers, from Hong Kong, the Netherlands, Italy and Taiwan, were underpaid when they worked for Trek North for periods of up to four months between August, 2013 and April last year.

The Federal Circuit Court ordered payment of the penalties, along with full back-payment of the backpackers, by July 17. Neither Trek North nor Jorgensen paid the amounts owed by the due date.

Freezing orders were sought to prevent any dispersion of assets up to the value of the fine and back-pay order against the company until they are paid.

The Fair Work Ombudsman acted after becoming aware of information suggesting Jorgensen was preparing to shift assets from Trek North to a new company he has established.

Jorgensen initially told Fair Work inspectors investigating the underpayments that the backpackers 'would not get a cent' in back-pay.

His recent communications with the Agency suggested he was prepared to bankrupt his company to avoid paying the Court-ordered penalties and back-pay order.

"If the company was stripped of assets or placed into liquidation, it would have prevented the underpaid employees from being paid the money owed to them," Fair Work Ombudsman Natalie James said today.

Jorgensen paid the penalty imposed on him personally into Court and the freezing orders against him no longer apply. However, Trek North Tours has still not paid its \$55,000 penalty or reimbursed the backpackers their outstanding wages and entitlements.

As a result, the freezing orders remain against the company. Trek North must pay the amounts owed or apply to the Court to have those orders set aside. To date, it has done neither.

Non-compliance with freezing orders is a criminal offence, with possible punishments including imprisonment and confiscation of property.

Employers and employees seeking assistance can visit www.fairwork.gov.au or contact the Fair Work Infoline on 13 13 94. Overseas workers can call 13 14 50 if they need interpreter services.

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