

Security company fined over \$60,000

20 November 2015

A national security company has been fined tens of thousands of dollars for underpaying one of its own employees and turning a blind eye to a sub-contractor doing the same thing.

The Federal Circuit Court in Brisbane has imposed penalties totalling \$60,400 against Security International Services Pty Ltd (SIS).

Judge Michael Jarrett fined the company \$40,000 for underpaying a Gold Coast security guard \$7632 between November, 2013 and February, 2014.

He also fined SIS a further \$20,400 for knowingly allowing one of its contractors, GRI Global Pty Ltd, to underpay one of its guards \$11,189.

SIS held a contract to provide security at Queensland Curtis Liquefied Natural Gas project construction sites in the Chinchilla/Dalby area between September, 2013 and January, 2014.

SIS in turn sub-contracted to GRI Global, and admitted in Court it was an accessory to the underpayment, which was rectified last year.

GRI Global has since gone into liquidation.

Judge Jarrett made Orders for SIS to conduct an audit covering 30 per cent of its employees and to provide the findings to the Fair Work Ombudsman.

Fair Work Ombudsman Natalie James says companies tendering for security services need be alert to the non-compliance risks associated with selecting low-cost providers.

Ms James says the Agency is actively, and successfully, pursuing accessories to contraventions of workplace laws via Section 550 of the Fair Work Act.

She noted that companies like Myer, 7-Eleven, Cadbury, Mars and Coles had all recently been associated with the controversy of exploited workers in the media, even though none was the direct employer of the workers.

"However, as established and profitable enterprises with significant market share, the public expects more of them than a response that they are not directly responsible for those workers – and that becomes an entry point for us to talk to them about moral and ethical supply chains and how we can help them take steps to ensure compliance with workplace laws across their worksites," Ms James said.

In a keynote address last year titled "Risk, Reputation and Responsibility", Ms James signalled to the business community that she would hold employers accountable for business practices which undermined compliance with federal workplace laws.

She flagged increasing use of Section 550 to go up and down the supply chain to scrutinise sub-contracting arrangements, warning that companies found to be profiting from underpaying their employees faced a "very real risk to reputation and impact on their bottom line".

"If a business is interested in looking down the supply chain and taking responsibility for what is going on within it, then the Fair Work Ombudsman would love to have a conversation about how we can help," she told an Australian Labor and Employment Relations Association (ALERA) conference.

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.

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