



RED ALERT: PROSECUTIONS IN THE TRANSPORT INDUSTRY IN THE LAST MONTH. ARE YOU PREPARED?

Fair Work Ombudsman Prosecutions ramping up

In the last month alone, there have been seven cases of underpayment and prosecutions by the Fair Work Ombudsman in the transport industry.

Back-payments totalled \$526,500. A number of these claims were simply a result of **random audits**. Below are the reported instances over just the last month:

1. Regional SA transport company to back-pay workers \$142,000

Port Pirie-based Irvine's Transport has agreed to reimburse 26 of its staff a total of \$142,609 after it was discovered the employees were being underpaid.

The workers - mostly casual drivers and yard hands - were underpaid between March, 2006 and January, 2009, an investigation by the Fair Work Ombudsman revealed.

Irvine's Transport paid its workers a flat rate of pay for all hours worked, resulting in underpayment of penalty rates for weekends, public holidays and work performed outside ordinary hours. The company also failed to make a minimum payment of four hours to casual workers.

The contraventions were discovered when Irvine's Transport was **randomly audited**.

In addition to repaying the underpayments to workers the employer has been required to:

- Put IR systems and processes in place to ensure ongoing compliance,
- Put an ad in the local paper offering "sincere regret and apologies" for the breaches,
- Prepare an IR compliance manual and attend an IR obligations training course, and
- Report to the Fair Work Ombudsman at the end of the financial year for the next three years

2. Wagga transport company fined for underpaying employees almost \$150,000

The Chief Magistrate's Court in Sydney has imposed a **\$30,000 penalty** on Farey Transport & Trading Pty Ltd, which transports milk and a range of grocery products, for underpaying 34 employees.

Chief Industrial Magistrate Gregory Hart found the company had underpaid drivers and yard hands a total of \$146,876 between November, 2006 and March, 2009.

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The company paid workers a flat rate of \$19.50 for all hours worked on weekdays and \$20.50 for all hours worked on weekends which resulted in underpayment of the employees' annual leave entitlements and penalty rates for overtime, weekend and public holiday work.

3. Northern NSW company director faces court over alleged underpayment of truck drivers

The Fair Work Ombudsman has launched a prosecution against the former operator of a northern NSW transport company for allegedly underpaying 15 truck drivers almost \$20,000.

Mr Neave was the operator, sole director and part-owner of Tweed Heads-based transport company Corporate Consulting (Australia) Pty Ltd. It is alleged that 15 drivers who transported general freight between various distribution centres in NSW are owed a total of \$19,280 back-pay as a result.

A fine of \$6600 for the director personally may apply.

4. Fair Work Ombudsman recovers almost \$90,000 back-pay for 29 Gippsland transport workers

Twenty-nine Gippsland transport workers are being reimbursed almost \$90,000 after an investigation by the Fair Work Ombudsman found they were underpaid. The transport company was **randomly audited** as part of the Fair Work Ombudsman's regular auditing activity.

5. Two Tasmanian transport workers back-paid \$36,000 after regulator intervenes

Two Tasmanian transport workers have been back-paid a total of \$36,100 after investigations by the Fair Work Ombudsman found they were underpaid.

The largest recovery was \$25,000 for a delivery driver at **Burnie**.

6. Bendigo truck drivers back-paid \$67,000

Two truck drivers at Bendigo are being reimbursed more than \$67,000 after an investigation by the Fair Work Ombudsman found they were underpaid.

The drivers - who worked for the same company - lodged complaints with the Fair Work Ombudsman after they were underpaid their minimum kilometre rate of pay, public holiday entitlements and allowances. They were owed \$49,700 and \$17,200 respectively.

7. Whyalla transport worker back-paid \$21,600

An underpaid transport worker at Whyalla in South Australia has been reimbursed \$21,600 following the intervention of the Fair Work Ombudsman.

The worker lodged a complaint with the Fair Work Ombudsman after he was not paid annual leave entitlements.

Are you paying correctly? Are you prepared for a random audit?

IR ASSIST can conduct an audit of your IR systems to protect your liability or implement an Enterprise Agreement so you can run your business your way but in compliance and without the Award. ACT NOW TO PROTECT YOUR BUSINESS.

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