

Degani Bakery & Café compliance report

7 August 2018

The Fair Work Ombudsman today released the findings of its Degani Bakery and Café compliance activity that found non-compliance at 15 outlets, including underpayment and record keeping breaches.

The FWO's activity involved auditing 14 Degani outlets in Melbourne and 2 in Rockhampton after receiving a high number of requests for assistance, and found just one outlet to be compliant with workplace laws.

The audits resulted in the FWO recovering a total of \$44,165 for 86 underpaid workers and issuing:

- 10 formal cautions;
- 8 compliance notices; and
- 5 infringement notices (on-the-spot fines).

Fair Work Ombudsman Sandra Parker said under or non-payment of penalty rates was the most common issue identified by inspectors, as well as underpayment of base rates of pay.

"We uncovered issues with record-keeping at several Degani outlets that hindered our ability to determine exactly how much back-pay the employees were owed. Unfortunately, Degani's failure to meet basic workplace requirements is common throughout the hospitality industry," Ms Parker said.

One in ten disputes resolved by FWO in 2016-17 involved a restaurant, café or takeaway food outlet, and nearly one third of the most serious cases that we take to court involve this sector.

"Recent law changes mean franchisors can now be held liable for workplace breaches by businesses in their networks. This report reinforces the need for industry-wide cultural change and hospitality leaders should work with the FWO to support compliance," Ms Parker said.

In February, the FWO [commenced court action](http://www.fairwork.gov.au/about-us/news-and-media-releases/2018-media-releases/february-2018/20180226-shmap-group-degani-litigation-mr) (www.fairwork.gov.au/about-us/news-and-media-releases/2018-media-releases/february-2018/20180226-shmap-group-degani-litigation-mr) against a Degani outlet in Greensborough for allegedly using false records to conceal more than \$12,000 in underpayments to workers. The matter remains before the court with a hearing scheduled for 1 October 2018.

In November, the FWO [entered into an Enforceable Undertaking](http://www.fairwork.gov.au/about-us/news-and-media-releases/2018-media-releases/february-2018/20180201-degani-bentons-eu-release) (www.fairwork.gov.au/about-us/news-and-media-releases/2018-media-releases/february-2018/20180201-degani-bentons-eu-release) with the operators of a Degani outlet in Morningside, south of Melbourne, who underpaid workers almost \$10,000.

The report is available at www.fairwork.gov.au.

Employers and employees seeking assistance can visit www.fairwork.gov.au or call the Fair Work Infoline on 13 13 94. Small business callers can opt to receive priority service via the Small Business Helpline and an interpreter service is available on 13 14 50.

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Read the (www.fairwork.gov.au/ArticleDocuments/1411/degani-bakery-cafe-compliance-activity-report.pdf.aspx) (www.fairwork.gov.au/reports/degani-bakery-cafe-compliance-activity-report/default) (www.fairwork.gov.au/reports/degani-bakery-cafe-compliance-activity-report/default) (www.fairwork.gov.au/ArticleDocuments/1411/degani-bakery-cafe-compliance-activity-report.pdf.aspx) Degani Bakery Cafe Compliance Activity Report (www.fairwork.gov.au/reports/degani-bakery-cafe-compliance-activity-report/default) (PDF 822.1KB) (www.fairwork.gov.au/ArticleDocuments/1411/degani-bakery-cafe-compliance-activity-report.pdf.aspx) .

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