

MADE Establishment signs undertaking

18 July 2019

A major Melbourne restaurant company has back-paid workers over \$7.8 million in wages and superannuation and faces ongoing regulatory scrutiny, after entering into a Court-Enforceable Undertaking with the Fair Work Ombudsman.

Fair Work inspectors investigated the MADE Establishment Pty Ltd (MADE) group of companies following a self-disclosure of underpayments at Press Club and Gazi restaurants in the Melbourne CBD and Hellenic Republic restaurants in Kew, Williamstown and Brunswick.

The FWO extended its investigation to some restaurants operated by Jimmy Grants Pty Ltd, a company which shares common shareholders and directors with the MADE group of companies.

Inspectors found that significant underpayments at the MADE group of companies occurred because they failed to correctly apply annualised salary arrangements for some staff, including by failing to conduct annual reconciliations to check that workers on annual salary arrangements were paid for overtime and penalty rate hours worked.

Inspectors also found that the MADE group companies and some Jimmy Grants sites did not pay some staff at the correct classification level for their duties under the Restaurant Industry Award, which particularly affected casual employees.

MADE Establishment back-paid \$7,832,953 to 515 current or former employees of Press Club, Gazi and Hellenic Republic for work between 2011 and 2017. A further \$16,371 has been back-paid to nine employees of Jimmy Grants.

Fair Work Ombudsman Sandra Parker said that the EU would ensure improved wages and record-keeping practices were locked in at the MADE group.

“The Court-Enforceable Undertaking commits MADE Establishment to stringent measures to ensure that current and future employees across their restaurant group are paid correctly,” Ms Parker said.

“MADE’s massive back-payment bill should serve as a warning to all employers that if they don’t get workplace compliance right from the beginning, they can spend years cleaning up the mess.”

Under the EU, George Calombaris will complete speaking engagements to educate the restaurant industry on the importance of workplace compliance. Mr Calombaris is a founding and current shareholder of MADE Establishment, who served as a director from 2008-2018.

MADE Establishment will also make a \$200,000 contribution payment to the Commonwealth Government’s Consolidated Revenue Fund. The company must fund external auditors to check pay and conditions for workers across the entire group every year until the EU expires in 2022.

“The Fair Work Ombudsman is cracking down on underpayments in the Fast Food, Restaurant and Café sector, and we urge employers to check if they are paying their staff correctly,” Ms Parker said.

The FWO has developed [new interactive tools \(https://www.fairwork.gov.au/frac\)](https://www.fairwork.gov.au/frac) for the hospitality sector to make it easier to access information about key entitlements such as pay, hours worked, allowances, leave and termination. Employers and employees can call the Fair Work Infoline on 13 13 94 for free workplace assistance.

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Read the [MADE Establishment Enforceable Undertaking \(DOCX 73.5KB\) \(https://www.fairwork.gov.au/ArticleDocuments/545/made-establishment-enforceable-undertaking.docx.aspx\)](https://www.fairwork.gov.au/ArticleDocuments/545/made-establishment-enforceable-undertaking.docx.aspx) (PDF 2.9MB) (<https://www.fairwork.gov.au/ArticleDocuments/545/made-establishment-enforceable-undertaking.pdf.aspx>) .

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