

Unpaid wages recovered for Subway employees

1 October 2019

The Fair Work Ombudsman (FWO) has recovered \$81,638.82 in unpaid wages for 167 current and previous employees, following investigations into 22 Subway franchisees.

Fair Work Inspectors targeted Subway franchisees in New South Wales, Queensland and Victoria following requests for assistance from employees and anonymous tip-offs about potential breaches of Australia's workplace laws.

Inspectors interviewed Subway employees, managers and franchise owners, and analysed numerous employment records and payslips.

The FWO determined that 18 of the 22 Subway franchisees were not compliant with Australia's workplace laws.

The FWO found that the employers failed to pay the employees minimum wages, failed to pay entitlements like casual loadings and holiday and overtime rates, failed to issue proper payslips and did not keep proper employment records.

In response to the breaches, Inspectors issued seven compliance notices requiring employers to rectify breaches of the law, nine formal cautions putting franchises on notice about future non-compliance, and nine on-the-spot fines for record-keeping and pay slip breaches totalling \$5,880.

The FWO continues to assist Subway workers. The FWO has recovered nearly \$150,000 for underpaid Subway employees over the past two financial years, including the money recovered from this activity which commenced in 2017.

"The FWO is very concerned by the rates of non-compliance we have seen in the Subway franchise network and has a number of ongoing lines of enquiry into their operations," Ms Parker said.

"Half of the underpaid Subway employees were young workers or from a migrant background, which can make them particularly vulnerable to exploitation. For many of these workers, it might be their first job and they could be unaware of their workplace rights or scared to raise issues with their boss."

"Franchisors, especially in the fast food sector, are a priority for the Fair Work Ombudsman. Franchisors can be held legally responsible if their franchisee stores don't follow workplace laws. They must take reasonable steps to prevent this occurring. The community expects head companies to assure themselves that all the stores in their franchise network are paying workers their correct wages and entitlements."

"We encourage any Subway workers with concerns about their pay to contact us," Ms Parker said.

Subway staff can contact the Fair Work Infoline on 13 13 94 for free workplace assistance. Employers and employees can also submit anonymous reports to the Fair Work Ombudsman [online \(https://www.fairwork.gov.au/how-we-will-help/how-we-help-you/help-us-keep-workplaces-fair\)](https://www.fairwork.gov.au/how-we-will-help/how-we-help-you/help-us-keep-workplaces-fair) .

A report of the FWO's investigation of the 22 Subway franchises is available at [www.fairwork.gov.au \(http://www.fairwork.gov.au\)](http://www.fairwork.gov.au) .

The FWO also [secured \\$65,438 in penalties \(www.fairwork.gov.au/about-us/news-and-media-releases/2019-media-releases/march-2019/20190304-subway-franchisee-penalty-media-release\)](http://www.fairwork.gov.au/about-us/news-and-media-releases/2019-media-releases/march-2019/20190304-subway-franchisee-penalty-media-release) against the former franchisee of two Subway outlets in Sydney for underpaying a Chinese worker more than \$16,000.

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Download the [Subway Compliance Activity Report \(DOCX 196.3KB\) \(www.fairwork.gov.au/ArticleDocuments/1151/subway-compliance-activity-report.docx.aspx\)](http://www.fairwork.gov.au/ArticleDocuments/1151/subway-compliance-activity-report.docx.aspx) (PDF 267.5KB) (www.fairwork.gov.au/ArticleDocuments/1151/subway-compliance-activity-report.pdf.aspx)

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Fair Work Online: www.fairwork.gov.au

Fair Work Infoline: 13 13 94

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