

Over \$230,000 recovered for Gami Chicken workers

21 August 2020

The Fair Work Ombudsman has recovered \$233,087 in unpaid wages for 353 workers following an investigation into 19 outlets of fried chicken chain Gami Chicken & Beer.

Prior to the pandemic, Fair Work Inspectors made surprise visits (www.fairwork.gov.au/about-us/news-and-media-releases/2019-media-releases/april-2019/20190411-gami-chicken-and-beer-compliance-activity-media-release) to 15 outlets in Melbourne, two in Sydney and two in Perth last year, after the regulator received large numbers of requests for assistance and anonymous reports from workers about potential breaches of workplace laws.

Many of the contacts came from young and migrant employees, who the Fair Work Ombudsman knows can be potentially vulnerable due to age, visa status and reliance on a local job for income.

The franchisor operated six of the outlets visited, with the remainder operated by franchisees. Inspectors interviewed employees, managers and store owners on the ground and checked employment records and payslips.

The regulator found that all 19 of the audited outlets had underpaid employees, and 15 were not meeting payslip and record-keeping obligations. The most common breaches found were underpaying penalty rates (33 per cent) and underpaying the minimum hourly rate (13 per cent).

Inspectors reported that the most common reason given by employers for non-compliance was a lack of awareness of all workplace obligations (68 per cent).

In total, \$216,847 was recovered for 241 Melbourne workers, \$6,879 for 43 Sydney workers and \$6,779 for 55 Perth employees. Recoveries from individual businesses ranged from \$1,129 for eight employees in a Sydney business to \$49,069 for 17 employees in a Melbourne business.

Fair Work Ombudsman Sandra Parker said the high rates of non-compliance were unacceptable.

“Inspectors found that Gami Chicken & Beer operators had simply not prioritised meeting their lawful obligations to their workers,” Ms Parker said.

“A lack of awareness is not a valid excuse for a business to breach workplace laws. The FWO expects all employers to comply with workplace obligations and they should access our free tools and resources if they need assistance. Any employees with queries about pay should contact us.”

“Improving compliance among franchises in the fast food, restaurant and café industry, who employ many vulnerable workers, continues to be a priority for us,” Ms Parker said.

In response to the breaches, inspectors issued 18 compliance notices requiring employers to rectify breaches of the law, resulting in \$233,087 back-paid to workers. There were 10 formal cautions, and nine on-the-spot fines with penalties totalling \$25,410.

One business remains under investigation and may face legal proceedings.

The other businesses were advised that future breaches will likely lead to enforcement action. The FWO continues to enforce workplace laws in a proportionate manner during the pandemic.

Targeted advice and resources are available to franchises for free at www.fairwork.gov.au/franchises (www.fairwork.gov.au/franchises) and for the fast food, restaurant and café sector at www.fairwork.gov.au/frac (www.fairwork.gov.au/frac).

Call the Fair Work Infoline on 13 13 94 or a free interpreter service on 13 14 50. Know a workplace not doing the right thing but don't want to get involved? Report it (www.fairwork.gov.au/workplace-problems/fixing-a-workplace-problem/anonymous-report/anonymous-tipoff) anonymously – in your language.

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Sign up to receive the Fair Work Ombudsman's media releases direct to your email inbox at www.fairwork.gov.au/mediareleases (www.fairwork.gov.au/mediareleases).

Download the Gami Chicken and Beer compliance activity report (PDF 913.5KB) (www.fairwork.gov.au/ArticleDocuments/1151/gami-chicken-beer-compliance-activity-report.pdf.aspx) (DOCX 339KB) (www.fairwork.gov.au/ArticleDocuments/1151/gami-chicken-beer-compliance-activity-report.docx.aspx)

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