

## Chemist Warehouse partnership improves compliance

2 October 2020

Major pharmacy franchise CW Retail Services Pty Ltd (Chemist Warehouse) has back-paid employees and improved its payroll practices following a three-year compliance partnership with the Fair Work Ombudsman.

Chemist Warehouse voluntarily entered into a Compliance Deed in 2016 to improve workplace compliance across its franchise network of retail pharmacy businesses that now employ over 14,200 staff nationwide at more than 400 stores.

This followed both FWO audits and the company's own review finding non-compliance with workplace laws across the network, related to the non-payment of staff for training.

The partnership committed Chemist Warehouse to take steps including improving resources, training and processes, setting up an employment relations hotline and email service for staff within the franchise network to enable them to raise concerns, and arranging independent audits to assess franchisee compliance with Australian workplace laws and applicable fair work instruments.

The company conducted workplace law training for more than 560 owners, supervisors and managers of franchisee businesses. It also updated its staff on-boarding system and put in place a new payroll system.

Chemist Warehouse resolved 342 individual queries or complaints from employees, with \$99,062.98 paid to 118 employees across the three-year partnership. Most of these matters – 88 per cent – were raised in the first year and 69 per cent of all matters related to the training payment issue.

In addition, Chemist Warehouse engaged an independent law firm to complete the annual audits of its franchise network to ensure staff were correctly paid. These audits identified underpayments of \$11,539 for 820 out of 2,521 employees audited, with most underpaid workers across each audit owed less than \$1. All workers have been back-paid.

The largest underpayments (85 per cent of the total recovered) were identified in the first of the three audits, with just \$459 needing to be back-paid as a result of last year's final audit of more than 300 Chemist Warehouse stores.

Fair Work Ombudsman Sandra Parker said the compliance partnership demonstrated the franchisor's commitment to supporting current and future Chemist Warehouse employees.

"Chemist Warehouse has implemented processes to resolve workplace disputes efficiently across its network and educated franchisees on their lawful obligations under the Fair Work Act. The company will continue to work with its independent auditor post the expiry of the deed with the FWO," Ms Parker said.

"Franchises are a priority sector for the FWO and we urge all franchisor head offices to prioritise compliance with workplace laws or risk breaches that impact their brand and workers. Franchisors should be aware that they can now be held responsible for their franchisees' conduct and may be subject to enforcement action, court proceedings and penalties if their franchisees have breached the law."

Free information and resources for franchises is available at [www.fairwork.gov.au/franchises](http://www.fairwork.gov.au/franchises) (<http://www.fairwork.gov.au/franchises>) . Employers and employees can contact the Fair Work Ombudsman on 13 13 94 or [fairwork.gov.au](http://fairwork.gov.au)

Follow the Fair Work Ombudsman [@fairwork\\_gov\\_au](https://twitter.com/fairwork_gov_au) ([http://twitter.com/fairwork\\_gov\\_au](http://twitter.com/fairwork_gov_au)) or find us on Facebook [www.facebook.com/fairwork.gov.au](https://www.facebook.com/fairwork.gov.au) (<http://www.facebook.com/fairwork.gov.au>) .

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

Download the [Chemist Warehouse Proactive Compliance Deed Report \(DOCX 32.9KB\)](http://www.fairwork.gov.au/ArticleDocuments/1151/Chemist-Warehouse-PCD-report-2020.docx.aspx) ([www.fairwork.gov.au/ArticleDocuments/1151/Chemist-Warehouse-PCD-report-2020.docx.aspx](http://www.fairwork.gov.au/ArticleDocuments/1151/Chemist-Warehouse-PCD-report-2020.docx.aspx)) (PDF 237.4KB) ([www.fairwork.gov.au/ArticleDocuments/1151/Chemist-Warehouse-PCD-report-2020.pdf.aspx](http://www.fairwork.gov.au/ArticleDocuments/1151/Chemist-Warehouse-PCD-report-2020.pdf.aspx))

Media inquiries:

Claire Low, Senior Media Adviser

Mobile: 0418 825 074  
[claire.low@fwo.gov.au](mailto:claire.low@fwo.gov.au) (<mailto:claire.low@fwo.gov.au>)

Page reference No: 9758

## Contact us

Fair Work Online: [www.fairwork.gov.au](http://www.fairwork.gov.au)

Fair Work Infoline: 13 13 94

Need language help?

Contact the Translating and Interpreting Service (TIS) on 13 14 50

Hearing & speech assistance

Call through the National Relay Service (NRS):

For TTY: 13 36 77. Ask for the Fair Work Infoline 13 13 94

Speak & Listen: 1300 555 727. Ask for the Fair Work Infoline 13 13 94

---

The Fair Work Ombudsman is committed to providing advice that you can rely on. The information contained on this website is general in nature. If you are unsure about how it applies to your situation you can call our Infoline on 13 13 94 or speak with a union, industry association or workplace relations professional. Visitors are warned that this site may inadvertently contain names or pictures of Aboriginal and Torres Strait Islander people who have recently died.