

Fair workplaces - a job for all says FWO

14 January 2013

The Fair Work Ombudsman today urged big employers to follow a lead set by McDonald's and take proactive steps to ensure their local workforces are being paid properly.

In an Australian first, McDonald's, in collaboration with the Fair Work Ombudsman, set up a process to self-audit about 8500 pay packets and correct any issues it found.

Releasing the findings today, Fair Work Ombudsman, Nicholas Wilson, said audits were conducted across McDonald's regional and metropolitan restaurants for pay periods in 2009 and 2010.

They found 100% compliance for wages paid in 2009 and 97% compliance for wages in 2010.

"The self-audit was a pioneering arrangement that we believe can be a model for other major employers to follow," Mr Wilson said.

Spotless, Red Rooster and Domino's have already done so, signing Pro-Active Compliance Deeds with the Agency which are currently being actioned.

McDonald's employs about 90,000 people and of those, almost 85 per cent are aged between 15 and 21.

Mr Wilson says young workers are often in their first job and it's important they get their full entitlements from day one.

"Courts are increasingly taking a firm view about non-compliance with workplace relations laws and this poses a considerable risk to reputation for companies across the board," he said.

McDonald's conducted the audits in line with the company's goal of being an employer of choice for young people and operating its business ethically.

"We take our responsibility as one of Australia's largest employers of youth very seriously and welcomed the opportunity to work with the Fair Work Ombudsman on this program," Joanne Taylor, McDonald's Senior Vice President and Director of Human Resources, said.

"We're very pleased with the findings, not only because they confirm that we do have solid processes in place, but working in partnership with the Fair Work Ombudsman, they demonstrated how we can continuously improve, assisting our desire to be recognised as one of the great places to work in Australia.

"This has been a win-win for all involved."

Other findings reported to the Fair Work Ombudsman include:

- The number of calls to the McDonald's workplace relations hotline rose 17 per cent above the monthly average as a result of the pay packet audit;
- Nine workplace complaints were received by the Fair Work Ombudsman relating to the underpayment of wages, not paid for time worked, meal breaks, overtime and non-payment of long-service leave;
- Seven matters were resolved voluntarily with the assistance of McDonald's and two were not sustained, with McDonald's also taking steps to improve and monitor workplace compliance;
- No underpayments were identified in the 2009 audit;
- Minor non-compliance in the 2010 audit was related to an incorrect casual loading being applied in two instances. The first relating to an oversight in the manual payroll entry of training hours and the second related to a monetary calculation error in the payroll application used by one franchisee. The corrections were made voluntarily to all individual employees ranging from \$5 to \$169; and
- The overall standard of the company's record keeping was high.

Under the Deed, McDonald's accepted responsibility for developing systems and processes to maintain ongoing compliance with Commonwealth workplace laws.

Mr Wilson said the partnership within the Deeds builds on the Fair Work Ombudsman's innovative approach to helping large employers comply with workplace laws.

“Last year, we launched the National Franchise Program (NFP) to encourage big franchisors to enhance their brand by publicly supporting fair workplaces,” he said.

Eight franchise systems were selected in the first intake - Subway, Boost Juice Bars, Just Cuts, Barry Plant, Bank of Queensland, Pizza Hut, Terry White Chemists and Just Better Care.

Mr Wilson said those participating in the NFP receive free resources to educate their franchisees and advice on how to best promote compliance with workplace laws across their network.

“They are demonstrating their commitment to corporate responsibility and sending out a message that they value the rights of their large and diverse workforces,” Mr Wilson said.

Through its National Employers Program, the Fair Work Ombudsman has assisted more than 50 large employers to ensure they meet their obligations under the Fair Work Act, National Employment Standards and other applicable industrial instruments.

To enquire about participating in the National Franchise Program or the National Employer Program please contact neb@fwo.gov.au (<mailto:neb@fwo.gov.au>)

Employers or employees seeking assistance on workplace relations laws can contact the Fair Work Infoline on 13 13 94 from 8am-6pm weekdays or visit the website. An ‘industries’ section on the Fair Work Ombudsman’s website also provides information specifically tailored for employers and workers in the fast-food industry.

Find out more:

- [McDonald's Pro-active Compliance Deed - Final report \(PDF 227.6KB\) \(www.fairwork.gov.au/ArticleDocuments/762/2013-01-14-McDonalds-Report-FINAL.pdf.aspx\)](http://www.fairwork.gov.au/ArticleDocuments/762/2013-01-14-McDonalds-Report-FINAL.pdf.aspx)
- [McDonald's Pro-active Compliance Deed - Final report \(DOCX 366.3KB\) \(www.fairwork.gov.au/ArticleDocuments/762/2013-01-14-McDonalds-Report-FINAL.docx.aspx\)](http://www.fairwork.gov.au/ArticleDocuments/762/2013-01-14-McDonalds-Report-FINAL.docx.aspx)

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