

## Red Rooster report released

27 August 2014

The Fair Work Ombudsman today released a report outlining the results of its Proactive Compliance Deed with Red Rooster Foods Pty Ltd.

The major fast-food chain signed the Deed in February, 2012, and agreed to self-audit the employment records of thousands of staff working for its franchise outlets.

Red Rooster is an Australian company owned by Quick Service Restaurant Holdings Pty Ltd and has both company-owned and franchise outlets in every State and Territory (except Tasmania) employing more than 7000 people.

By agreeing to the Deed, the Fair Work Ombudsman acknowledges that Red Rooster is committed to continuing to improve its workplace practices and places a high priority on compliance with workplace laws.

Fair Work Ombudsman Natalie James says the Deed established a framework for her Agency and Red Rooster to work together to ensure thousands of young and casual workers were being correctly paid.

“Many of the young people working in Red Rooster franchises would have had little, or no previous work experience, and limited knowledge of their lawful entitlements,” Ms James said.

The Fair Work Ombudsman first proposed the Deed to the company after identifying a problem with the interpretation of its Red Rooster Agreement 2009.

The 2009 Agreement was negotiated by Red Rooster with the Shop, Distributive and Allied Employees Association on behalf of most, but not all, franchise outlets.

However, when it investigated a number of complaints from Red Rooster franchise employees in 2011, the Fair Work Ombudsman found the pay rates in the Agreement were below those of the Fast Food Industry Award 2010.

Under the Proactive Compliance Deed, Red Rooster self-audited the pay packets of 3140 employees across 106 of its franchise stores. The audits uncovered underpayment of staff wages totalling \$645,253. To date, 1206 current and former employees have been back-paid a total of \$346,285.

The Fair Work Ombudsman has agreed to repayment plans in certain cases because of the financial circumstances of some franchisees, noting that in one instance, an employer took out a bank loan in order to be able to repay outstanding wages and entitlements.

“We recognise that many franchises are small businesses and that trading conditions for some have been difficult, so we have worked with Red Rooster to ensure they have adequate capacity to rectify any underpayments,” Ms James says.

Where employees could not be located, money has been paid to the Fair Work Ombudsman and is being held in trust. During the term of the Deed, 23 franchise outlets were placed in liquidation, and therefore unpaid wages from these stores could not be recouped.

Employers or employees seeking assistance from the Fair Work Ombudsman should visit [www.fairwork.gov.au](http://www.fairwork.gov.au) or call 13 13 94.

### Download:

- [Red Rooster Foods Pty Ltd Proactive Compliance Deed Final Report \(DOCX 353.7KB\)](http://www.fairwork.gov.au/ArticleDocuments/762/red-rooster-proactive-compliance-deed-final-report-june-2014.docx.aspx) ([www.fairwork.gov.au/ArticleDocuments/762/red-rooster-proactive-compliance-deed-final-report-june-2014.docx.aspx](http://www.fairwork.gov.au/ArticleDocuments/762/red-rooster-proactive-compliance-deed-final-report-june-2014.docx.aspx)) (PDF 465.3KB) ([www.fairwork.gov.au/ArticleDocuments/762/red-rooster-proactive-compliance-deed-final-report-july-2014.pdf.aspx](http://www.fairwork.gov.au/ArticleDocuments/762/red-rooster-proactive-compliance-deed-final-report-july-2014.pdf.aspx))
- [Red Rooster Foods Pty Ltd Proactive Compliance Deed Appendix A \(DOCX 379KB\)](http://www.fairwork.gov.au/ArticleDocuments/762/red-rooster-pcd-appendix-a.docx.aspx) ([www.fairwork.gov.au/ArticleDocuments/762/red-rooster-pcd-appendix-a.docx.aspx](http://www.fairwork.gov.au/ArticleDocuments/762/red-rooster-pcd-appendix-a.docx.aspx)) (PDF 1.7MB) ([www.fairwork.gov.au/ArticleDocuments/762/red-rooster-pcd-appendix-a.pdf.aspx](http://www.fairwork.gov.au/ArticleDocuments/762/red-rooster-pcd-appendix-a.pdf.aspx))

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Fair Work Infoline: 13 13 94

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