

SOUTHBANK RESTAURANT BACK-PAYS \$114,000 TO FIVE UNDERPAID EMPLOYEES

Outlined below is a recent Melbourne Fair Work Ombudsman case. It shows yet again how carelessness with employment matters can cause hospitality businesses needless stress and heartache. As an association serving members, a big part of our role is to proactively help you understand your compliance obligations. This approach help you advance and grow your business rather than being tied up defending it.

A restaurant on Melbourne's Southbank has back-paid five of its staff more than \$114,000 after intervention by the Fair Work Ombudsman.

Fair Work inspectors found that one employee - a supervisor - had been underpaid a total of \$40,000 and four chefs were underpaid \$30,000, \$17,000, \$15,000 and \$12,600 respectively. All of the staff have left the business.

Fair Work Ombudsman Executive Director Michael Campbell says the underpayments occurred because the restaurant paid an annual salary which did not take into account Award rates, weekend and overtime penalty rates.

"This case serves as a good example of the need for employers to check which Modern Award applies to their business, the classifications of their staff and the applicable pay rates," Mr. Campbell said.

Because the business has put processes in place to ensure the mistake is not repeated in future & has made good the underpayments, FWO has said that, in this case, there would be no further action against the company. Equally, whilst there was no formal penalty for the restaurant concerned, responding to FWO's many detailed enquiries would have been time consuming & stressful for the business's managers and owners.

If you have any further queries on this matter please contact me.

Regards,

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