

## **Senate Standing Committee on Education and Employment**

### **QUESTIONS ON NOTICE Budget Estimates 2016 - 2017**

**Agency - Fair Work Ombudsman**

**Department of Employment Question No. EMSQ16-000814**

**Senator O'Neill asked on 06 May 2016 on proof Hansard page 90**

#### **Question**

##### **FWO - Update on 7-Eleven**

Senator O'NEILL: I have a question for the Fair Work Ombudsman on notice. I would like an update on 7-Eleven. I do not need an answer now. You can take it on notice and provide an update.

Ms James: We did cover it really briefly before you came into the room. We are happy to provide you with more on notice.

#### **Answer**

In June 2014, on the basis of continuing concerns and intelligence, the Fair Work Ombudsman (FWO) began a strategic Inquiry into a sample of 7-Eleven stores. The Inquiry also undertook a number of in-depth investigations of 7-Eleven stores.

On 9 April 2016, the FWO released its Inquiry report.

The Inquiry found concerning levels of non-compliance with workplace laws, including instances of deliberate manipulation of records to disguise underpayment of wages.

The Inquiry makes a series of recommendations aimed at 7-Eleven, the Fair Work Ombudsman and the broader settings across other regulatory frameworks.

Since the release of the report, the Fair Work Ombudsman and 7-Eleven have been in productive discussions about the establishment of a proactive compliance deed.

The FWO has ongoing investigations into a number of 7-Eleven franchises, and has conducted a significant number of compliance activities over several years targeting non-compliance with workplace laws at 7-Eleven stores.

The FWO has taken legal proceedings against eight 7-Eleven franchisees, four of which are currently before the courts.

On 20 June 2016, in the course of proceedings commenced by the FWO, the Federal Circuit Court imposed penalties totalling \$408,348 against Brisbane 7-Eleven franchisee Mai Pty Ltd and its director Sheng-Chieh Lo for underpaying 12 workers approximately \$82,000 and showing 'contemptuous disregard' for Australian workplace laws, including by seeking to deceive the FWO during its investigation.