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Daily Media Overview



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Without tough penalties, more fortunes will be built on the back of exploited workers

COMMENT

Ben Schneiders



It is a business model too often based on theft.

Australia's high-end restaurant sector has again been exposed as rotten, with George Calombaris' restaurant business paying back nearly \$8 million to hundreds of workers. For years, many of the biggest names in the industry have made their fortunes on the back of staff who've worked extraordinarily long hours for terrible pay.

Often these staff have been unlawfully underpaid through the use of excessive unpaid overtime and failure to pay legal penalty and overtime rates.

In the past year an investigation by *The Age* has exposed some of the industry's biggest names as fronting businesses based on systemic wage theft.

They include Neil Perry's Rockpool Dining Group, Heston Blumenthal's Melbourne restaurant and the businesses of other (previously) well regarded chefs Teage Ezard and Guillaume Brahimi.

The ABC has exposed others such as Shannon Bennett's restaurant empire.

Many of these men are seriously rich, with glittering media careers

as the high-end food craze has turned them into celebrities from TV shows such as *MasterChef*.

But they represent the worst excesses of our era; a celebrity-focused, winner-takes-all culture in a time of high inequality.

The Calombaris penalty of \$200,000 in restitution is dismally low and a reflection of how weak our laws are.

The main penalty for these rich men appears to be public shame.

They get to keep their fortunes and spend them, if they so choose, on a public relations rehabilitation. Too often the exploited workers – many of whom are temporary migrants – get nothing or a fraction of what they are entitled to. Serious reform is needed to our visa laws, to give temporary migrant workers far greater rights to work here.

Our visa system, by design, ensures working conditions for these people are precarious.

They are often the worst-exploited in Australia's kitchens, too scared to speak up because they fear being kicked out of the country if they lose jobs that are tied to their visas.

The legal system also makes it prohibitively expensive to make claims for underpayment.

Federal Labor's pre-election pledge of a low-cost jurisdiction for claims of up to \$100,000 has serious merit.

At the same time, penalties need to be much higher, while the

regulator, the Fair Work Ombudsman, needs to ditch what is too often a collaborative regulatory approach.

In the Calombaris case, part of the deal involves him speaking to the industry about the "importance of workplace compliance". The poacher turned gamekeeper.

Instead, there needs to be serious deterrents for doing the wrong thing.

The Morrison government has made the behaviour of unions – in particular the CFMMEU – its key priority in workplace relations with its Ensuring Integrity bill.

But wage underpayment should be the most pressing issue for reform.

It is a systemic problem hurting hundreds of thousands of workers and is contributing to the economic crunch of low wage growth.

A few years ago the idea of introducing laws to criminalise serious wage underpayment was a fringe idea at best.

Now the Victorian Labor government has said it will introduce laws while the federal Coalition government (in what appear to be limited scenarios) offered pre-election support for criminal sanctions.

Considering the endemic wage theft in industries such as hospitality, horticulture and franchising, it is hard now to make a case against that.

