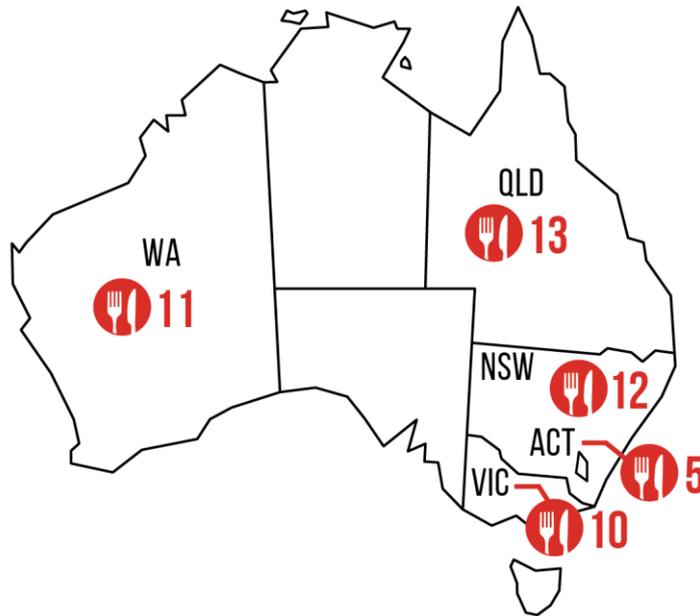


Between August and December 2019 we investigated  
**51** FRAC businesses employing Korean workers



**71%** non-compliant with workplace laws 

**Of the businesses doing the wrong thing:**

-  **25%** were not paying staff correctly
-  **39%** were not meeting pay slip and/or record-keeping requirements
-  **36%** breached both their monetary and non-monetary obligations

**Most common breaches:**

-  **26%** penalty rates
-  **22%** pay slips
-  **17%** minimum hourly rate
-  **13%** record-keeping
-  **13%** entitlements

**\$161,551** for **284** employees from **22** businesses 



**2**

Formal  
cautions



**34**

Infringement  
notices

\$39,480 penalties



**20**

Compliance  
notices

\$161,551 back paid

# Korean Fast Food, Restaurants & Cafes

## Proactive Investigation

Between August 2019 and December 2019, the Fair Work Ombudsman investigated 51 Fast Food, Restaurant & Café (FRAC) businesses employing Korean workers across Australia.

The aim of this activity was to build upon previous investigations disclosing high non-compliance impacting vulnerable (young, student) workers from Korea.

The activity incorporated intelligence the FWO had received alleging exploitation of Korean workers by employers not issuing pay slips to conceal the low rates of pay.

The proactive investigation involved Fair Work Inspectors interviewing employees, managers and storeowners during site visits and checking employment records and pay slips. To determine compliance, Inspectors assessed records against the *Fair Work Act 2009*, the *Fair Work Regulations 2009*, awards (e.g. *Fast Food Industry Award 2010* and *Restaurant Industry Award 2010*) and enterprise agreements.

## Findings

36 businesses (71%) were non-compliant with workplace laws:

- 9 (25%) were not paying staff correctly
- 14 (39%) were not meeting pay slip and/or record-keeping requirements
- 13 (36%) breached both their monetary and non-monetary obligations.

The most common breaches related to:

- weekend and public holiday penalty rates (26%)
- pay slips (22%)
- minimum hourly rates of pay (17%)
- entitlements e.g. breaks, rostering, superannuation (13%)
- record-keeping (13%).

A significant number of employees affected were student visa holders.

## Action taken and next steps

The FWO recovered \$161,551 from 22 businesses for 284 employees.

Fair Work Inspectors issued:

- 2 formal cautions
- 34 infringement notices totalling \$39,480 in penalties for pay slip and record-keeping breaches
- 20 compliance notices for the underpayments.

The FWO support compliance in the FRAC sector through:

- business and stakeholder engagement to educate and drive behaviour change
- targeted and translated communications to increase awareness of and engagement with workplace laws
- dedicated online information and resources to make compliance easier for employers, such as our interactive *Fast Food Industry 2010* and *Restaurant Industry Award 2010* tools<sup>1</sup>
- a continued focus on compliance monitoring and enforcement activities in high-risk sectors.

The FWO expects employers to comply with all basic workplace relations obligations and encourages all employers to utilise our free online tools and resources. The FWO provides comprehensive and easy to use guidance materials, template letters and online education in more than 30 languages. We have tailored and up to date resources for small businesses. All of these resources are available at no cost to employers. A lack of awareness of obligations under the *Fair Work Act 2009* is not a valid reason for non-compliance.

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<sup>1</sup> <https://www.fairwork.gov.au/find-help-for/fast-food-restaurants-cafes>