

Over \$160,000 recovered in Korean worker audits

25 September 2020

The Fair Work Ombudsman has recovered \$161,551 in unpaid wages for 284 workers after a national proactive investigation of 51 fast food outlets, restaurants and cafés employing Korean workers.

Fair Work Inspectors investigated food businesses in Brisbane (13), Sydney (12), Perth (11), Melbourne (10) and Canberra (five) between August and December last year.

These audits occurred due to previous food sector investigations raising concerns about the exploitation of workers from Korea, including students. The FWO also received intelligence from young and migrant employees indicating exploitation. The Fair Work Ombudsman considers such workers potentially vulnerable due to their age and visa status.

Inspectors interviewed employees, managers and storeowners during site visits and checked employment records and pay slips.

The regulator found that 71 per cent of the 51 audited outlets were non-compliant with workplace laws. Of these 36 businesses in breach, 61 per cent had underpaid employees and 75 per cent had not met pay slip and record-keeping obligations. The most common breaches found were underpaying penalty rates (26 per cent) and failing to issue pay slips (22 per cent).

Korean migrants made up a significant number of the affected employees of businesses in breach, particularly student visa holders. Migrant workers from a range of other countries were also impacted.

Fair Work Ombudsman Sandra Parker said the underpayment of migrant workers, including young students, was unacceptable.

“Australian workplace laws protect all workers, regardless of nationality or age. As this investigation shows, the Fair Work Ombudsman prioritises matters involving migrant workers, who may be particularly vulnerable due to visa status and have limited knowledge of their rights,” Ms Parker said.

“While this investigation commenced prior to the pandemic, the FWO continues to enforce workplace laws in the food sector as a priority. We do so in a proportionate manner, knowing that COVID-19 has had a significant impact on many businesses in the fast food, restaurant and café sector.”

Total recoveries were \$95,984 for 65 workers at five Melbourne businesses; \$31,376 for 139 workers at six Brisbane businesses; \$22,827 for 31 workers at four Sydney businesses; \$8,259 for 24 workers at three Canberra businesses; and \$3,105 for 24 workers from four Perth outlets.

Recoveries from individual businesses ranged from \$18 for four employees in a Perth business to \$56,688 for 11 employees of a Melbourne business.

In response to the breaches, inspectors issued 20 Compliance Notices requiring employers to rectify breaches of the law, resulting in the full back-payments of \$161,551. There were also 34 Infringement Notices (total penalties of \$39,480) for pay slip and record-keeping breaches, and two formal cautions.

Visa holders with work rights can ask for our help without fear of their visa being cancelled. For details see [here \(http://www.fairwork.gov.au/find-help-for/visa-holders-migrants\)](http://www.fairwork.gov.au/find-help-for/visa-holders-migrants) . Targeted advice and resources are available free for the fast food, restaurant and café sector at [www.fairwork.gov.au/frac \(http://www.fairwork.gov.au/frac\)](http://www.fairwork.gov.au/frac) and for franchises at [www.fairwork.gov.au/franchises \(http://www.fairwork.gov.au/franchises\)](http://www.fairwork.gov.au/franchises) .

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Download the [Korean Food Restaurants & Cafes report \(DOCX 29.5KB\)](http://www.fairwork.gov.au/ArticleDocuments/1151/Korean-FRAC-report.docx.aspx) (www.fairwork.gov.au/ArticleDocuments/1151/Korean-FRAC-report.docx.aspx) (PDF 621.5KB) (www.fairwork.gov.au/ArticleDocuments/1151/Korean-FRAC-report.pdf.aspx)

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