

We investigated **37 security businesses** that provided services at COVID-19 quarantine hotels. This included principal contractors and subcontractors in Melbourne and Sydney.



**41% (15 businesses) were non-compliant with Australian workplace laws**

- 9 weren't paying staff correctly
- 3 didn't meet pay slip and record-keeping requirements
- 2 breached both their monetary and non-monetary obligations
- 1 breached a non-monetary obligation



**\$303,299**  
from **9** businesses  
for **1,010** employees

## Fair Work Inspectors issued:



**10**

Compliance notices

**\$302,281** back-paid to **1,003** employees



**5**

Infringement notices

**\$11,166** in fines



**3**

Contravention letters

**\$1,018** back-paid to **7** employees



**1**

Formal caution

\* one principal contractor and one subcontractor provided security services in both Melbourne and Sydney

# COVID-19 hotel quarantine security report

## What we did & why

In May 2020, the Fair Work Ombudsman investigated 37 security businesses contracted to provide security services at COVID-19 quarantine hotels in Melbourne and Sydney.

We took a top-down approach to examining labour procurement supply chains; starting with ‘price-making’ principal contractors engaged by Victorian and NSW governments, before auditing layers of contracting and employment arrangements amongst any ‘price-takers’ beneath them.

Of the 37 employing entities investigated:

- 9 were principal contractors (3 in Melbourne, 7 in Sydney)<sup>1</sup>
- 28 were subcontractors (20 in Melbourne, 9 in Sydney).<sup>2</sup>

The majority of employees were engaged as static security guards at the COVID-19 hotel quarantine sites, with some engaged as supervisors. Pay and entitlements were assessed against the *Security Services Industry Award 2010* and in some cases the relevant enterprise agreement.

## Our findings

Our investigation found that 15 of the 37 entities investigated (41%), were non-compliant with Australian workplace laws.<sup>3</sup> Of those:

- 9 businesses were not paying staff correctly (1 principal contractor and 6 subcontractors in Victoria and 1 principal contractor and 1 subcontractor in NSW)
- 3 businesses were non-compliant with pay slip and record-keeping requirements (2 subcontractors in Victoria and 1 subcontractor in NSW)
- 2 businesses breached both their monetary and non-monetary obligations (2 subcontractors in Victoria)
- 1 business breached a non-monetary obligation (principal contractor in NSW).

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<sup>1</sup> One principal contractor had contracts in both Melbourne and Sydney.

<sup>2</sup> One subcontractor had contracts in both Melbourne and Sydney.

The most common breaches were:

- failure to pay penalty rates (8 businesses)
- failure to pay correct annual/personal leave entitlements (4)
- failure to provide correct pay slips (3)
- failure to pay correct overtime rates (2).

### Actions taken & next steps

We recovered \$303,299 from 9 businesses for 1,010 employees. This included:

- \$288,938 for 665 employees in Melbourne
- \$14,361 for 345 employees in Sydney.

Recoveries from individual businesses ranged from \$207,681 for 333 employees, to \$312 for 1 employee. Both of these businesses were subcontractors supplying security guards to quarantine hotels in Melbourne.

Fair Work Inspectors issued:

- 10 compliance notices, resulting in \$302,281 recovered for 1,003 employees
- 5 infringement notices, with \$11,166 paid in fines
- 3 contravention letters, including 2 for technical breaches and 1 where the employer back paid \$1,018 to 7 employees during the audit period
- 1 formal caution.

Unified Security Group Australia Pty Ltd (Unified) was a principal contractor in the NSW and Victorian hotel quarantine programs. Unified admitted they owed unpaid entitlements to staff employed in the NSW COVID-19 Hotel Quarantine Program (estimated to be approximately \$900,000). We then issued a compliance notice requiring Unified to back pay those employees, but Unified went into liquidation on 26 May 2021.