

Brisbane food precincts proactive investigation



We investigated **77 businesses** in **Brisbane's suburbs** in December 2021



75% non-compliant with workplace laws

## Of the 58 non-compliant businesses:



55% (32) didn't pay staff correctly



8% (5) didn't meet pay slip and record-keeping requirements

36% (21) breached both monetary and non-monetary obligations



\$404,721 recovered for 623 employees from 52 businesses



2 businesses remain under investigation

Fair Work Inspectors issued:



Compliance notices

\$383,983 recovered for 609 employees



Infringement notices \$78,932 paid in fines

## What we did and why

In December 2021, we investigated 77 businesses in Brisbane suburbs. This proactive investigation was part of a program examining non-compliance in popular food precincts that commenced in 2016.<sup>123456</sup>

Businesses in the Fast Food, Restaurants and Cafés (FRAC) sector within the areas typically employ a high proportion of young and migrant (temporary visa holder) workers. These workers can be vulnerable to exploitation, due to a lack of awareness or understanding of their entitlements, and an unwillingness to raise concerns with their employer or the Fair Work Ombudsman.

Brisbane has a diverse mix of businesses, employers and employees. Anonymous tip offs from workers suggested non-compliance in restaurants and fast food outlets in the areas.

We targeted businesses deemed to be at risk of non-compliance, based on one or more of the following characteristics:

- a history of non-compliance with the FWO
- anonymous tip offs and/or customer enquiries received about the business
- employing vulnerable migrant workers (confirmed using Home Affairs data).

Fair Work Inspectors conducted unannounced site visits at 77 businesses over 4 days. They:

- requested employment and payroll records
- interviewed employers, managers and workers
- observed work practices
- noted staff numbers to validate business records.

Pay slips and record-keeping practises were assessed against the requirements of the *Fair Work Act 2009*, the *Fair Work Regulations 2009*, and applicable awards or registered agreements. Most businesses were covered by the *Restaurant Industry Award 2020* or *Fast Food Industry Award 2010*.

## **Our findings**

58 (75%) of the 77 businesses investigated had breached workplace laws. Of those:

• 32 (55%) were not paying staff correctly

<sup>&</sup>lt;sup>1</sup> Over-1.2-million-recovered-for-food-and-retail-workers

<sup>&</sup>lt;sup>2</sup> Over \$300 000 returned to fast food, restaurant and café workers

<sup>&</sup>lt;sup>3</sup>Over \$580,000 recovered for Hobart workers

<sup>&</sup>lt;sup>4</sup> More than \$200,000 recovered for Gold Coast workers

<sup>&</sup>lt;sup>5</sup> Darwin workers back-paid nearly \$400,000

<sup>&</sup>lt;sup>6</sup> Launceston workers back-paid more than \$120,000

- 5 (8%) were non-compliant with pay slip and record-keeping requirements
- 21 (36%) breached both their monetary and non-monetary obligations.

The most common breaches were:

- failure to pay penalty rates or casual loadings 40 businesses (69%)
- underpayment of the minimum hourly rate 37 businesses (64%)
- failure to pay correct overtime allowances 10 businesses (17%)
- payslip breaches 19 businesses (33%)
- record-keeping breaches- 13 businesses (22%).

More than a quarter (29%) of the 77 businesses investigated employed young workers, and 6% were found to employ visa holders.

## Action taken and next steps

We recovered \$404,721 for 623 employees from 52 businesses.<sup>7</sup> The largest recovery from a single business was \$80,258 for 68 employees.

Fair Work Inspectors issued:

- 49 compliance notices (to 49 businesses), recovering \$383,983 for 609 employees
- 29 infringement notices, with \$78,932 paid in fines.

2 businesses are still under investigation for alleged non-compliance with workplace laws.

<sup>&</sup>lt;sup>7</sup> 4 businesses rectified underpayments of \$20,737 for 14 employees at the time of our site visits, without Fair Work Inspectors needing to investigate further.