



We investigated **49** fast food, restaurant and café businesses in inner-Sydney in May-June 2022



**77%** were non-compliant with Australian workplace laws



Of the 36 non-compliant businesses:

Top 3 types of breach:



**39% (14)** didn't pay staff correctly



Minimum pay rates (30)



**14% (5)** didn't meet pay slip and record-keeping requirements



Penalty rates (24)



**47% (17)** breached both monetary and non-monetary obligations



Pay slips (21)



**\$239,505**

recovered for **333** employees from **31** businesses



**2** businesses remain under investigation

Fair Work Inspectors issued:

 **31**

Compliance notices

**\$239,505** back paid for **333** employees

 **27**

Infringement notices

**\$90,354** paid in fines

# Sydney food precinct investigation

## What we did and why

In May-June 2022, the Fair Work Ombudsman (FWO) commenced investigations of 49 businesses in inner-Sydney (Haymarket, Chinatown, Darling Harbour, Barangaroo, Surry Hills and Darlinghurst precincts). This proactive investigation was part of a program examining non-compliance in popular 'cheap eats' food precincts that commenced in 2016.<sup>123456</sup>

Fast food, Restaurants and Cafés (FRAC) sector businesses within these precincts 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, or an unwillingness to raise concerns with their employer or the FWO.

We targeted businesses deemed to be at risk of non-compliance, based on a history of non-compliance with the FWO and/or anonymous tip offs or customer enquiries received about the business.

Fair Work Inspectors conducted unannounced site visits,<sup>7</sup> and:

- 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 2010* or *Fast Food Industry Award 2010*.

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<sup>1</sup> [Over-1.2-million-recovered-for-food-and-retail-workers– Media releases – Fair Work Ombudsman](#)

<sup>2</sup> [Over \\$300 000 returned to fast food, restaurant and café workers - Media releases - Fair Work Ombudsman](#)

<sup>3</sup> [Over \\$580,000 recovered for Hobart workers - Fair Work Ombudsman](#)

<sup>4</sup> [More than \\$200,000 recovered for Gold Coast workers - Fair Work Ombudsman](#)

<sup>5</sup> [Darwin workers back-paid nearly \\$400,000 - Fair Work Ombudsman](#)

<sup>6</sup> [Launceston workers back-paid more than \\$120,000 - Fair Work Ombudsman](#)

<sup>7</sup> [Sydney eateries face pay investigations - Fair Work Ombudsman](#)

## Our findings

36 (77%) of 47 businesses were found to have breached workplace laws. Of those:

- 14 (39%) were not paying staff correctly
- 5 (14%) were non-compliant with pay slip and record-keeping requirements
- 17 (47%) breached both their monetary and non-monetary obligations.

2 businesses remain under investigation for alleged non-compliance.

The most common breaches were:

- underpayment of the minimum hourly rate – 30 businesses
- failure to pay penalty rates – 24 businesses
- pay slips not containing the required information – 21 businesses
- failure to pay correct overtime allowances – 10 businesses
- failure to keep proper records – 10 businesses.

## Action taken and next steps

We recovered \$239,505 for 333 employees from 31 businesses. The largest recovery from a single business was \$52,081.

Fair Work Inspectors issued:

- 31 compliance notices, recovering \$239,505 for 333 employees
- 27 infringement notices, with \$90,354 paid in fines.

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