

Over \$1.2 million recovered for food and retail workers

4 September 2020

The Fair Work Ombudsman recovered \$1,212,727 in unpaid wages for 1351 workers in the fast food, restaurant, café and retail sectors prior to the COVID-19 pandemic.

Between December 2018 and March 2020, Fair Work Inspectors targeted popular food precincts in Melbourne and Brisbane, as well as revisiting food and retail businesses around the country that had previously breached workplace laws.

The FWO conducted a series of intelligence-led proactive investigations targeting these high-risk sectors, which commonly rely on potentially vulnerable young workers such as university students.

Inspectors investigated 49 fast food, café and restaurant businesses in [Melbourne's Degraves Street and Hardware Lane](http://www.fairwork.gov.au/about-us/news-and-media-releases/2018-media-releases/december-2018/20181211-degraves-st-hardware-lane-campaign-media-release) (www.fairwork.gov.au/about-us/news-and-media-releases/2018-media-releases/december-2018/20181211-degraves-st-hardware-lane-campaign-media-release) . In Brisbane's West End (www.fairwork.gov.au/about-us/news-and-media-releases/2019-media-releases/july-2019/20190725-media-release-fwo-audits-brisbanes-west-end-final) , inspectors investigated a total of 44 businesses.

Food precinct businesses were selected because the FWO's intelligence, including anonymous reports, suggested breaches of workplace laws.

The audits found that 84 per cent of businesses investigated in the Melbourne laneways food precincts and 88 per cent of those investigated in Brisbane's West End were not compliant with Australia's workplace laws.

In total, the regulator recovered \$194,365 for 186 Melbourne laneways workers and \$309,073 for 369 Brisbane West End workers. Total underpayments per business ranged from \$30 to \$59,680 in Melbourne and \$377 to \$65,215 in Brisbane.

The FWO's national food and retail investigations also assessed another 171 businesses, finding a 71 per cent non-compliance rate, with inspectors recovering \$709,289 for 796 workers. These workers were engaged in roles such as chefs, cooks, waiters and retail assistants.

Fair Work Ombudsman Sandra Parker said the low rates of compliance were unacceptable.

"While we know some of our priority sectors, including many fast food, restaurant and café businesses, have been seriously impacted by the COVID-19 pandemic and are under considerable financial strain, we will continue to enforce workplace laws in a proportionate way," Ms Parker said.

"We will focus on ensuring that any underpayments of workers are back-paid promptly, and where serious non-compliance is found, we will take enforcement action."

"Competitive dining strips commonly rely on workers who are young, students or visa holders. We will continue to protect such vulnerable employees by holding employers to account."

In response to workplace law breaches identified in the Melbourne laneways and Brisbane's West End food precincts, the FWO issued one contravention letter, 19 formal cautions, 51 infringement notices (with total penalties of \$101,220), and 42 compliance notices.

The FWO also recently [commenced legal action](http://www.fairwork.gov.au/about-us/news-and-media-releases/2020-media-releases/july-2020/20200717-shri-krishna-guru-litigation-media-release) (www.fairwork.gov.au/about-us/news-and-media-releases/2020-media-releases/july-2020/20200717-shri-krishna-guru-litigation-media-release) against a company (and a company director) identified that operate the Little Cupcakes stores at locations including Degraves Street in Melbourne.

In response to breaches found in the national food and retail investigations, the FWO issued 11 contravention letters, 10 formal cautions, 16 infringement notices (with total penalties of \$31,290), and 85 compliance notices.

The most common contraventions across the investigations were failures to correctly pay penalty rates, followed by underpayments of the minimum hourly wage.

Inspectors reported that the most common reason given for non-compliance was lack of awareness of all workplace obligations (64 per cent across Melbourne and Brisbane, 51 per cent in national investigations).

"A lack of awareness is not a valid excuse for a business to breach workplace laws. The FWO expects all employers to comply with workplace obligations and to access our free tools and resources if they need assistance. Any employees with concerns about their pay should contact us," Ms Parker said.

Several businesses remain under investigation and may face legal proceedings. Other non-compliant businesses were advised that future breaches will likely lead to enforcement action. The FWO continues to enforce workplace laws in a reasonable and proportionate manner during the pandemic.

The FWO has targeted [interactive tools \(www.fairwork.gov.au/find-help-for/fast-food-restaurants-cafes\)](http://www.fairwork.gov.au/find-help-for/fast-food-restaurants-cafes) to help employers and employees in the fast food, restaurant and café industry. Employers can also use FWO's [pay calculator \(https://calculate.fairwork.gov.au/findyouraward\)](https://calculate.fairwork.gov.au/findyouraward) and [Small Business Showcase \(www.fairwork.gov.au/small-business-showcase\)](http://www.fairwork.gov.au/small-business-showcase) .

Know a workplace that isn't doing the right thing but don't want to get involved? [Report it to us \(www.fairwork.gov.au/how-we-will-help/how-we-help-you/anonymous-tipoff\)](http://www.fairwork.gov.au/how-we-will-help/how-we-help-you/anonymous-tipoff) anonymously – in your language.

Employers and employees can visit www.fairwork.gov.au or call the Fair Work Infoline on **13 13 94** for free advice and assistance about rights and obligations. A free interpreter service is at **13 14 50**.

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Download the [Food Precincts Melbourne and Brisbane report \(DOCX 333.1KB\) \(www.fairwork.gov.au/ArticleDocuments/1151/Food-Precincts-Melbourne-Laneways-Brisbane-Westend-report.docx.aspx\)](http://www.fairwork.gov.au/ArticleDocuments/1151/Food-Precincts-Melbourne-Laneways-Brisbane-Westend-report.docx.aspx) (PDF 1.6MB) (www.fairwork.gov.au/ArticleDocuments/1151/Food-Precincts-Melbourne-Laneways-Brisbane-Westend-report.pdf.aspx) and [National Food and Retail Revisit report \(PDF 132.9KB\) \(www.fairwork.gov.au/ArticleDocuments/1151/national-food-and-retail-revisit.pdf.aspx\)](http://www.fairwork.gov.au/ArticleDocuments/1151/national-food-and-retail-revisit.pdf.aspx)

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