

Former operators of two Hello Juice outlets penalised

27 August 2020

The Fair Work Ombudsman has secured \$276,929 in penalties in the Federal Circuit Court against the former operators of two Hello Juice outlets in Victoria for deliberately exploiting employees.

Skypic Group Pty Ltd and Skypac Group Pty Ltd - which operated Hello Juice outlets in shopping centres at **Geelong** and **Werribee** until April 2019 and March 2020 respectively – have been penalised \$161,988.75 and \$80,325 respectively.

Victorian woman Hua Gong, who was the general manager of both stores, has been penalised an additional \$34,616.

In total, 27 employees were underpaid a total of \$38,458 over various periods in 2017, including ten juniors under the age of 18. Workers at the Werribee store were underpaid \$23,902.47 and workers at the Geelong store were underpaid \$14,555.64. Employees have been back-paid.

Fair Work Ombudsman Sandra Parker said the matter demonstrates that serious consequences apply for underpayment of employees' basic lawful entitlements.

"Enforcing compliance with workplace laws in the fast food, restaurant and cafe sector, which employs many vulnerable workers, continues to be a priority for the Fair Work Ombudsman."

"Employers in this sector are on notice that they need to comply with workplace laws. The FWO expects all employers to comply with workplace obligations and they should access our free tools and resources if they need assistance. Any employees with queries about pay should contact us," Ms Parker said.

During an auditing activity, the Fair Work Ombudsman found that employees had been paid low, flat rates, resulting in underpayment of the ordinary hourly rates, casual loadings and penalty rates for weekend and public holiday work they were entitled to under the Fast Food Industry Award 2010. Some employees were paid as low as \$10 per hour.

Ms Gong and Skypac Group Pty Ltd also breached laws relating to cash-back arrangements on two separate occasions by requesting a worker aged in her 30s at the Werribee store to pay amounts totalling \$4,942.19 to cover part of a rectification payment and a tax refund payment made to her (\$1,300 of which was paid).

In addition, Ms Gong and both companies breached workplace laws relating to pay slips and record-keeping. Skypic Group and Ms Gong also breached laws by failing to comply with a Notice to Produce records or documents, and Skypac Group and Ms Gong were held to have provided inspectors with false or misleading records.

Judge John O'Sullivan said Skypac and Skypic had previously been put on notice to comply with workplace laws, the breaches were serious and deliberate, and the penalties should "act as a deterrent to others who may be minded to flout the law".

Judge O'Sullivan also made a general comment that: "It is also an illustration of, an all too common, a phenomena where employers from culturally and linguistically diverse backgrounds who exploit workers (including, or especially, from within their own ethnic communities) and then come before the Court and seek to rely on their own alleged ignorance of workplace laws or foreign cultural norms to mitigate any penalties that need to be applied when they are finally caught out".

NOTE: Skypac Group Pty Ltd and Skypic Group Pty Ltd no longer operate the Hello Juice outlets in Werribee and Geelong respectively.

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 their rights and obligations in the workplace. A free interpreter service is available on **13 14 50**.

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