

## Sydney PappaRich franchisees penalised

21 November 2019

The Fair Work Ombudsman has secured \$307,802 in penalties in the Federal Circuit Court in response to 154 workers across three PappaRich restaurants in Sydney being underpaid \$74,000.

A total of \$34,425 in penalties have been imposed against Loke Cheng Wong, manager-operator of the PappaRich franchise outlet at Macquarie Park, and former manager-operator of PappaRich franchise outlets in Chatswood and on Liverpool Street in the Sydney CBD.

In addition, two companies Mr Wong is a director and part-owner of - PPR Ryde (NSW) Pty Ltd and Gateharvest Pty Ltd – have been penalised \$141,751 and \$131,626, respectively, for their involvement in some of the underpayments.

Between May and July in 2017, PappaRich employees were paid flat rates as low as \$13 to \$14.50 per hour, resulting in underpayment of their ordinary hourly rates, weekend and public holiday penalty rates, overtime rates and casual loadings under the Restaurant Industry Award.

A number of the affected employees were migrant workers on student and working holiday visas.

Fair Work Ombudsman Sandra Parker said inspectors discovered the PappaRich underpayments during surprise audits.

“This penalty should serve as a warning to employers who choose to pay migrant workers unlawfully low flat rates rather than the applicable minimum Award. All employees have the same rights under Australia’s workplace laws, regardless of visa status, and any migrant workers with concerns about their pay should contact us,” Ms Parker said.

“Enforcing compliance with workplace laws in the fast food, restaurant and café sector and protecting vulnerable workers are priorities for the Fair Work Ombudsman. Franchisees are also on notice that they must pay all employees according to Australia’s lawful minimum pay rates.”

In total, 73 employees who primarily worked at PappaRich Macquarie Park were underpaid \$34,834, a further 42 employees at PappaRich Chatswood were underpaid \$22,533, and 39 employees at the PappaRich Sydney CBD outlet were underpaid \$16,633. Some of the employees worked at more than one of the three stores. Underpayments have been rectified in full.

Across the three stores, laws relating to annual and personal leave entitlements, entering into written agreements with part-time employees, minimum engagement pay, a split shift allowance, record-keeping and pay slips were also breached by Mr Wong and the companies.

Judge Driver dismissed Mr Wong’s claim that he was not aware of the relevant Award.

“Mr Wong pleads ignorance of the relevant award requirements, but the evidence establishes that he was aware of the existence of an award and did not make further enquiries until the details of the Award, and the consequential underpayments, were brought to his attention,” Judge Driver said.

In addition to the penalties, Judge Driver ordered Mr Wong to register with the My account portal at [www.fairwork.gov.au](http://www.fairwork.gov.au) (<http://www.fairwork.gov.au/>) and complete workplace relations training.

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