

Melbourne cupcake retailer faces court

17 July 2020

The Fair Work Ombudsman has commenced legal action in the Federal Circuit Court against the operators of the ‘Little Cupcakes’ stores in the Melbourne CBD for allegedly underpaying employees.

Facing Court is Shri Krishna Guru Pty Ltd, which operates three Little Cupcakes retail stores in the Melbourne CBD - on Degraeves Street, William Street and Queen Street - and a baking facility in Armadale. Also facing Court is company director Shreyansh Dharmesh Shah.

Fair Work Inspectors audited Shri Krishna Guru when targeting restaurants and cafes in the popular Degraeves Street and Hardware Lane (www.fairwork.gov.au/about-us/news-and-media-releases/2018-media-releases/december-2018/20181211-degraves-st-hardware-lane-campaign-media-release) dining strips in the Melbourne CBD with unannounced workplace visits.

The FWO alleges that 35 employees who worked across the Little Cupcakes stores and the baking facility between January 2018 to February 2019 had been underpaid a total of \$57,179.69.

Ten of the employees were juniors aged under 21 and most of the employees were visa holders, from countries including South Korea, India and Indonesia.

Fair Work Ombudsman Sandra Parker said the alleged underpayment of young and vulnerable workers was particularly concerning.

“Protecting the rights of vulnerable workers in the fast food, restaurant and café sector is a priority for the Fair Work Ombudsman.”

“We will continue to enforce workplace laws in a proportionate manner during the COVID-19 pandemic, and hold employers to account in order to protect employees.

“Any workers with concerns about their pay or entitlements should contact us.”

Most of the alleged underpayment relates to underpayment of casual loadings under the Fast Food Industry Award 2010.

Employees were allegedly also variously underpaid leave loadings, minimum-engagement pay, minimum hourly rates and loadings for weekend, public holiday, evening and overtime work under the Award. Record-keeping and pay slip contraventions are also alleged.

Underpayments of individual workers ranges from \$20.08 to \$10,960.77. The company has rectified the alleged underpayments in full.

It is alleged Shri Krishna Guru Pty Ltd committed multiple contraventions of workplace laws and that Mr Shah was involved in all contraventions. The company faces penalties of up to \$63,000 per contravention from the Court, while Mr Shah faces penalties of up to \$12,600 per contravention.

A directions hearing has been listed in the Federal Circuit Court in Melbourne on 31 July 2020.

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. Anonymous reports can be made in English and 16 other languages at www.fairwork.gov.au/tipoff (<http://www.fairwork.gov.au/tipoff>) .

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Contact us

Fair Work Online: www.fairwork.gov.au

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Call through the National Relay Service (NRS):

For TTY: 13 36 77. Ask for the Fair Work Infoline 13 13 94

Speak & Listen: 1300 555 727. Ask for the Fair Work Infoline 13 13 94

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