

Richmond and Prahran cafés face court

2 March 2020

The Fair Work Ombudsman has commenced legal action in the Federal Circuit Court against two companies for allegedly failing to comply with a Compliance Notice.

The businesses, Goldream Pty Ltd and Plushbear Pty Ltd, operate cafes in Melbourne's inner east – Tall Timber in Prahran and Friends of Mine in Richmond, and share a common director, Mr Barry Gold.

The regulator alleges the businesses and Mr Gold breached the Fair Work Act by failing to comply with a Compliance Notice requiring the businesses to correctly calculate and back-pay alleged underpayments of their employees. Both cafes employed student visa holders and employees on working holiday visas.

The alleged underpayments were uncovered by Fair Work Inspectors during audits of employers in the Richmond area and other popular food destinations in 2018.

The Compliance Notice was issued after an Inspector conducted an investigation and formed a belief that between December 2017 and June 2018, casual employees received a flat rate of pay for all hours worked, including weekends and public holidays, in contravention of the Restaurant Industry Award 2010.

Fair Work Ombudsman Sandra Parker says compliance notices are an important tool to recover unpaid wages for workers.

“Under the Fair Work Act, inspectors can issue a compliance notice if they form a belief that an employer has breached certain workplace laws. Where employers do not comply with our notices, a court can order them to pay penalties in addition to back-paying any affected employees.”

“The Fair Work Ombudsman is cracking down on alleged underpayments in the fast food, restaurant and café sector, particularly involving migrant workers. We will continue to utilise our full suite of enforcement tools to hold employers to account, and any workers with concerns should contact us,” Ms Parker said.

The FWO is seeking penalties of up to \$31,500 each for Goldream Pty Ltd and Plushbear Pty Ltd, with Mr Gold also facing a maximum penalty of \$6,300 in both of the proceedings.

The regulator is also seeking a Court Order requiring the businesses to comply with their Compliance Notice, which includes rectifying the underpayments in full, plus superannuation and interest.

A directions hearing has been listed in the Federal Circuit Court in Melbourne for 16 April 2020.

The fast food, restaurant and café sector has accounted for more disputes than any other industry during the last six years. It made up 56 per cent of the FWO's new litigations last financial year.

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. Targeted resources are at www.fairwork.gov.au/frac (<http://www.fairwork.gov.au/frac>) .

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