

## Salon operator overhauls workplace practices after underpaying staff approximately \$288,000

20 April 2017

The operator of seven popular hair salons in Victoria has agreed to review and overhaul its workplace practices after a Fair Work Ombudsman investigation revealed it had underpaid dozens of workers and contravened record-keeping laws.

Fair Work Ombudsman Inspectors conducted an investigation into Siajj Pty Ltd - operator of 'What's Up Hair' and 'Best Cuts and Colours' salons in Wantirna South, Ringwood, Cheltenham, Mill Park, Doncaster and Fountain Gate - after two hairdressers engaged at salons in Wantirna South contacted the Agency in 2016.

A review of the employment records at the Wantirna South salons revealed that 48 staff had been underpaid \$88,000 between January 2015 and July 2016. The largest underpayment identified for an individual worker was \$9680.

The underpayments arose through the failure of Siajj Pty Ltd to pay the correct minimum wages, casual loading, weekend and public holiday penalty rates, annual leave loading and leave loading upon termination.

The business also failed to implement written agreements for part-time employees; keep adequate records for part-time and casual employees; and accrue annual leave entitlements correctly.

The business has entered into an Enforceable Undertaking with the Fair Work Ombudsman as a result of the contraventions.

Siajj Pty Ltd employs approximately 150 workers across its seven salons under the Hair and Beauty Industry Award 2010.

As part of the Enforceable Undertaking, Siajj Pty Ltd has committed to undertake a comprehensive review of its payment systems, including an external audit, at its other five salons and rectify any outstanding wages. It is estimated that an additional \$200,000 is owed to the remaining employees.

Fair Work Ombudsman Natalie James says the decision to take enforcement action against the company was made because the business had previously been cautioned by Fair Work Inspectors about its workplace practices and because it would result in back-payment for underpaid workers.

"Due to the company's record keeping contraventions, it was not possible for my Inspectors to determine total monies outstanding for employees at this business," Ms James said.

"When we come across inadequate record-keeping that prevents our inspectors from determining whether employees are receiving their minimum entitlements we take these matters very seriously.

"In this case, it was determined that entering into an Enforceable Undertaking with this employer, whose representatives expressed contrition at the contraventions, would result in the best outcome for underpaid employees because they are more likely to receive outstanding wages," Ms James said.

Siajj Pty Ltd has engaged an external auditor, lawyer and industrial relations representative to assist them to rectify contraventions and ensure future compliance with workplace laws.

The company has also agreed to provide affected employees with an apology letter, publish an apology on their Facebook page and make a \$10,000 contrition payment to Springvale Monash Legal Service Inc.

The Fair Work Ombudsman recently launched the Record My Hours smartphone application which is aimed at helping vulnerable workers keep an accurate work diary that can be used to complement formal employment records.

"The Record My Hours app allows workers to export their data to their employer to help avoid misunderstandings that may arise over working hours," Ms James says.

Employers and employees seeking clarification on pay rates and entitlements can refer to the Fair Work Ombudsman's Pay and Conditions Tool (PACT) at [www.fairwork.gov.au](http://www.fairwork.gov.au).

Ms James says her Agency is committed to improving wage and record-keeping compliance in the hair and beauty industry.

The Fair Work Ombudsman's online [Hairdressing Assist tool \(http://www.fairwork.gov.au/hairdressingassist\)](http://www.fairwork.gov.au/hairdressingassist) provides resources and

links to information about pay, unfair dismissal, superannuation, bullying and long service leave to assist employers and employees with workplace issues.

The Agency also recently launched a [campaign targeting hair and beauty salons and retail outlets in Victoria, New South Wales and Queensland](http://www.fairwork.gov.au/about-us/news-and-media-releases/2017-media-releases/april-2017/20170404-east-coast-retail-hair-beauty-campaign-mr) (<http://www.fairwork.gov.au/about-us/news-and-media-releases/2017-media-releases/april-2017/20170404-east-coast-retail-hair-beauty-campaign-mr>) .

Both employers and employees seeking further information, advice and assistance should visit [www.fairwork.gov.au](http://www.fairwork.gov.au) or call the Fair Work Infoline on 13 13 94.

A free interpreter service 13 14 50 and information and fact-sheets available on the website at translated into 27 different languages.

Small business Owners can opt to receive priority service through the Small Business Helpline.

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Download the [Siajj Pty Ltd Enforceable Undertaking \(DOCX 159.8KB\)](http://www.fairwork.gov.au/ArticleDocuments/971/enforceable-undertaking-siajj-pty-ltd-redacted.docx.aspx) ([www.fairwork.gov.au/ArticleDocuments/971/enforceable-undertaking-siajj-pty-ltd-redacted.docx.aspx](http://www.fairwork.gov.au/ArticleDocuments/971/enforceable-undertaking-siajj-pty-ltd-redacted.docx.aspx)) (PDF 2MB) ([www.fairwork.gov.au/ArticleDocuments/971/enforceable-undertaking-siajj-pty-ltd-redacted.pdf.aspx](http://www.fairwork.gov.au/ArticleDocuments/971/enforceable-undertaking-siajj-pty-ltd-redacted.pdf.aspx))

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