

Adelaide nail salon operator faces Court

30 January 2017

The Fair Work Ombudsman has commenced legal action against the owner of a nail salon in Adelaide, alleging he failed to take appropriate action after being put on notice to pay employees correctly.

Facing Court is Albert Tran, owner of Citi Nails & Beauty in the Westfield Tea Tree Plaza at Modbury, and his company Hongyen Pty Ltd.

It is alleged that Mr Tran and his company underpaid five employees who performed nail treatments at his salon a total of \$7493.

The underpayments were allegedly the result of Hongyen paying two of the employees as trainees despite no registered traineeships being in place and classifying the other three at the wrong level under the Hair and Beauty Industry Award.

It is alleged that most of the underpayment relates to one worker who was underpaid \$6346 as a result of being short-changed her minimum hourly rate and leave entitlements between July, 2014 and June, 2016.

The other four employees were allegedly variously underpaid minimum hourly rates, a casual loading and weekend penalty rates for shorter periods between August, 2015 and June, 2016.

The alleged underpayments were discovered during a follow-up audit conducted by the Fair Work Ombudsman. Mr Tran and his company back-paid the employees last year.

Fair Work Ombudsman Natalie James says the decision was made to commence legal action because Mr Tran and his company were put on notice to pay employees correctly in 2013 when a proactive auditing campaign identified non-compliance issues that resulted in Hongyen back-paying several employees.

"We are prepared to take action against employers who fail to take appropriate corrective action after we educate them about their obligations under workplace laws," Ms James said.

Hongyen faces penalties of up to \$51,000 per contravention, while Mr Tran faces maximum penalties of up to \$10,200 per contravention.

The Fair Work Ombudsman is also seeking Court Orders for Hongyen to display a workplace notice detailing minimum employee entitlements and to commission workplace relations training for managerial employees and a professional external audit of its pay practices.

The Fair Work Ombudsman is also seeking an injunction restraining Mr Tran and Hongyen from underpaying workers in future.

If the injunctions are granted, Mr Tran and his company could face contempt of court proceedings for any further underpayment contraventions proven in court.

Employers and employees seeking assistance can visit www.fairwork.gov.au or contact the Fair Work Infoline on 13 13 94. An interpreter service is available on 13 14 50.

Follow Fair Work Ombudsman Natalie James on Twitter [@NatJamesFWO](https://twitter.com/NatJamesFWO) (<http://twitter.com/NatJamesFWO>), the Fair Work Ombudsman [@fairwork_gov_au](https://twitter.com/fairwork_gov_au) (http://twitter.com/fairwork_gov_au) or find us on Facebook www.facebook.com/fairwork.gov.au (<http://www.facebook.com/fairwork.gov.au>).

Sign up to receive the Fair Work Ombudsman's media releases direct to your email inbox at www.fairwork.gov.au/mediareleases (www.fairwork.gov.au/mediareleases).

Media inquiries:

Eithne Johnston, Media Adviser

Mobile: 0439 835 855

eithne.johnston@fwo.gov.au (<mailto:eithne.johnston@fwo.gov.au>)

Contact us

Fair Work Online: www.fairwork.gov.au

Fair Work Infoline: 13 13 94

Need language help?

Contact the Translating and Interpreting Service (TIS) on 13 14 50

Hearing & speech assistance

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

The Fair Work Ombudsman is committed to providing advice that you can rely on. The information contained on this website is general in nature. If you are unsure about how it applies to your situation you can call our Infoline on 13 13 94 or speak with a union, industry association or workplace relations professional. Visitors are warned that this site may inadvertently contain names or pictures of Aboriginal and Torres Strait Islander people who have recently died.