

Hair and Beauty campaign recoups \$31,000 for salon staff in NSW and ACT

13 January 2010

Twenty-nine hairdressing and beauty salon employees in NSW and the ACT are to be reimbursed a total of \$31,000 after investigations by the Fair Work Ombudsman found they were underpaid.

Fair Work inspectors have randomly scrutinised the books of 86 hair and beauty salons throughout NSW and the ACT as part of an Australia-wide campaign.

Nationally, the campaign identified:

- 223 employees who had been underpaid a total of \$140,000,
- Some workers being paid in foreign currency,
- Unlawful deductions being made from workers' pay packets for purchases of hair and beauty products,
- Apprentices being sacked on the basis of a downturn in work,
- Some businesses relying on salon appointment books as employment records for staff, and
- Non-payment of correct shift, weekend and public holiday rates.

In NSW and the ACT, the Fair Work Ombudsman found 30 of the 86 businesses audited to be non-compliant with federal workplace laws. Another 14 remain under investigation.

While inspectors found many of those employed in salons in NSW and the ACT were being paid a higher flat rate than the basic periodic rate, it failed to cover all entitlements - such as after hours, weekend and public holiday rates.

Acting Fair Work Ombudsman Natalie James says the industry was targeted because of the large number of complaints it was generating.

Three salons alone were found to have underpaid 11 staff more than \$86,000.

"We are mindful that this is an industry which employs large numbers of young females and a significant number of apprentices," she said.

In the latest campaign, inspectors have checked the books of 330 salons throughout Australia and found 130 of them - 39 per cent - to be non-compliant. Of these, 78 had minor breaches relating to payslips and time-and-wages records and 52 recorded monetary contraventions.

In addition to the NSW/ACT recoveries, the campaign will also recoup \$55,000 for 106 workers in Queensland; \$23,000 for 20 workers in Victoria, \$14,500 for 26 workers in SA, \$7000 for 21 workers in the NT, \$7000 for 15 workers in Tasmania and \$2000 for six workers in WA.

Ms James says her Agency wrote to more than 2000 employers nationally to alert them to the campaign and provide information about resources available to assist them to comply with workplace laws.

Those randomly selected for audit were asked to provide time and wage records and other information for a specified two-week period, including a public holiday, so inspectors could assess whether or not they were compliant.

"If we found a minor contravention that did not disadvantage an employee, then we asked the employer to complete a compliance commitment form and to voluntarily rectify the issue," Ms James said.

"Where we found a more serious breach, we asked the employer to undertake an audit of all employees and to rectify any underpayments.

"In some cases, if employers were not willing to voluntarily resolve the issue or if the contravention was blatant, we have escalated the audit to full investigation."

Ms James said 32 employers nationally remained under investigation and did not rule out the possibility of legal action in some cases.

She said the campaign findings highlighted the need for the Fair Work Ombudsman to continue to provide education and advice to

the hair and beauty industry and to monitor and enforce compliance.

In 2008, a State-wide campaign targeting the hair and beauty sector in Western Australia recouped \$40,000 in underpayments for 34 salon employees.

And in July last year, a campaign focused on the hair and beauty industry in Victoria's Gippsland region recovered \$7300 for 11 staff. Eighty per cent of 56 businesses selected passed the audit checks. Gippsland was not part of the latest campaign.

Employers or employees seeking assistance should contact the Fair Work Infoline on 13 13 94 or visit www.fwo.gov.au

Media inquiries:

Craig Bildstien, Director Media & Stakeholder Relations,
0419 818 484
craig.bildstien@fwo.gov.au

Ryan Pedler, Media & Stakeholder Relations Senior Adviser
(03) 9954 2561, 0434 365 924
ryan.pedler@fwo.gov.au

Page reference No: 4128

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.