

\$86k back-paid to NSW hair and beauty workers

12 August 2013

The Fair Work Ombudsman has recovered more than \$86,000 for workers in New South Wales as part of a national campaign focusing on hair and beauty salons.

Of the 267 audits completed in NSW, Fair Work Inspectors found 128 employers (48 per cent) were compliant with workplace laws, while 139 (52 per cent) were in breach.

Of those in breach, 86 businesses were found to have underpaid 162 employees a total of \$86,655, while others had record-keeping and technical contraventions.

Businesses found to have underpaid staff were at locations including Sydney, Albury, Armidale, Bathurst, Bowral, Cowra, Deniliquin, Dubbo, Gosford, Grafton, Griffith, Leeton, Lismore, Maitland, Merimbula, Mudgee, Newcastle, Orange, Port Macquarie, Singleton, Tamworth, Taree, Wollongong and Wyong.

Inspectors found that a significant number of employers in NSW were underpaying staff because they had not applied the July 2012 annual wage increase.

A number of employers had also underpaid juniors and apprentices as a result of not increasing their wages on the employee's birthday or on progression to the next year of an apprenticeship.

Nationally, Fair Work Inspectors completed audits of 858 randomly selected hair and beauty salons as part of the campaign and found 384 (45 per cent) were meeting their obligations under workplace laws, while 474 (55 per cent) were in breach.

Of those in breach, 295 businesses were found to have underpaid 635 employees a total of \$369,770, while many others had only record-keeping and technical contraventions.

Underpayments at individual salons nationally ranged from less than \$10 up to the biggest underpayment of \$16,064 of six employees at a Darwin salon.

Queensland had the highest compliance rate of 58 per cent, followed by NT (55 per cent), NSW (48 per cent), SA (41 per cent), Tasmania (40 per cent), WA (36 per cent), Victoria (25 per cent) and ACT (21 per cent).

Fair Work Ombudsman, Natalie James, said Fair Work Inspectors assisted all employers to voluntarily rectify non-compliance issues and put processes in place to ensure they were not repeated.

"While the overall contravention rate was concerning, it is pleasing that all employers were willing to back-pay their staff without the need for further action," Ms James said.

The campaign focussed on hair, nail and beauty salons in metropolitan and regional areas, including many independently owned and operated salons.

Ms James said the campaign was prompted by the sector consistently generating a significant number of complaints to the Fair Work Ombudsman each year.

"The campaign aimed to ensure workers were receiving their full entitlements and to make sure employers in the industry were aware of their obligations under workplace laws," she said.

"We are conscious that the hair and beauty industry employs a significant number of young workers who can be vulnerable if they are not fully aware of their rights or are reluctant to complain, so it is important we are proactive about ensuring they are being paid correctly."

Ms James said it was disappointing that the compliance rate discovered during the campaign was lower than the 62 per cent compliance rate found during a national campaign in 2009 focusing on the hair and beauty industry.

"We were also disappointed that some employers are still not aware of the need to pay their employees for compulsory in-house and external training, when it is not part of vocational training.

"We worked closely with key industry bodies as part of the campaign to ensure they were provided with important information to promote compliance with workplace laws amongst their members."

As part of the campaign, the Fair Work Ombudsman wrote to more than 17,000 hair and beauty businesses nationally to highlight the free, tailored resources at www.fairwork.gov.au/hairandbeauty to help them to understand and comply with workplace laws as easily as possible.

The resources include templates for time-and-wages sheets and pay slips, the PayCheck Plus tool to help employers calculate the correct pay for staff, an educational webinar and links to information on workplace laws relating to apprentices and trainees.

As part of the campaign, the Fair Work Ombudsman also distributed 60,000 educational postcards aimed at young hair and beauty industry workers through cafes, bars, tertiary institutes and other venues nationally.

Ms James said the Fair Work Ombudsman would continue to focus educational and compliance activities on the hair and beauty industry, including working with key employer organisations to improve business operators' awareness of workplace laws.

Employers and workers seeking advice or assistance should visit www.fairwork.gov.au or call the Fair Work Infoline on 13 13 94. An interpreter service is available on 13 14 50.

Download the report:

- [National Hair and Beauty campaign report 2013 \(PDF 1.4MB\) \(www.fairwork.gov.au/ArticleDocuments/714/National-hair-and-beauty-campaign-final-report-2013.pdf.aspx\)](http://www.fairwork.gov.au/ArticleDocuments/714/National-hair-and-beauty-campaign-final-report-2013.pdf.aspx)
- [National Hair and Beauty campaign report 2013 \(DOCX 5.1MB\) \(www.fairwork.gov.au/ArticleDocuments/714/National-hair-and-beauty-campaign-report-final-2013.docx.aspx\)](http://www.fairwork.gov.au/ArticleDocuments/714/National-hair-and-beauty-campaign-report-final-2013.docx.aspx)

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