

On-the-spot fines, warnings for Darwin massage shops, nail salons underpaying workers

28 April 2015

Eight on-the-spot fines of up to \$550 have been issued to massage and nail salons in Darwin for breaches of federal workplace laws.

Five Letters of Caution have also been sent to business operators warning them to improve their workplace practices.

And four employers have been required to back-pay more than \$18,000 in underpaid wages and entitlements to 22 of their staff.

The enforcement action is the result of random audits of 10 massage shops and eight nail salons by the Fair Work Ombudsman.

Acting Fair Work Ombudsman Michael Campbell says the level of non-compliance is disappointing and he has flagged ongoing spot checks to monitor the industry.

Massage shops and nail centres were targeted following information provided to Fair Work inspectors about potential contraventions.

Observations about some massage parlours have been passed on to the NT police.

Mr Campbell says massage shop employees were being short-changed because they were paid per massage instead of the minimum hourly rate they were legally entitled to.

"One employee was underpaid more than \$3800," he revealed.

"Two of those found to have been short-changed were overseas backpackers in Australia on the 417 working holiday visa.

"Only one of the 10 massage shops audited was paying its employees the lawful minimum hourly rate."

Mr Campbell says inspectors warned the other nine employers that their per-massage pay arrangements had the potential to result in ongoing underpayment of staff.

He says record-keeping practices at some businesses were also poor.

"Two businesses failed to keep any employment records at all, making it difficult for us to assess compliance," he said.

"Some were also neglecting to provide sufficiently-detailed payslips to their employees."

Mr Campbell reminded Darwin businesses of the legal requirement for them to maintain records of staff, hours worked and to provide payslips within one day of pay day.

He said those employers who received Letters of Caution were now on notice that further workplace breaches would likely result in enforcement action.

The Fair Work Ombudsman last year distributed education packs to employers selected for auditing to enable them to review their workplace practices.

The packs included a copy of the Health Professionals and Support Services Award 2010 for massage businesses and the Hair and Beauty Industry Award 2010 for nail salons.

Pay guides and fact sheets on record-keeping and pay slips were also distributed.

Mr Campbell said it was disappointing that employers had failed to seek assistance to rectify any issues and waited for site-visits to be told of their non-compliance.

However, he welcomed the response of those who had underpaid their staff in working with inspectors to correct the errors and reimburse their employees.

"Given our findings, these businesses will stay on our radar for the time being," Mr Campbell said.

"We'll be conducting further random audits in the near future to ensure employers have heeded our advice.

"If we continue to detect deliberate or repeat contraventions, or if employers are not willing to co-operate, then we will consider

appropriate action, including litigation.”

The maximum penalty for a breach of federal workplace law is \$51,000 for a company or \$10,200 for an individual.

The Fair Work Ombudsman puts about 50 matters a year before the Courts.

Information to assist both employers and employees can be accessed free 24/7 on the Fair Work Ombudsman website at www.fairwork.gov.au.

The Fair Work Ombudsman can assist employers with accurate, reliable information that is easy to access, understand and apply.

People can also call the Fair Work Infoline on 13 13 94.

Overseas workers, or employers, needing an interpreter can call 13 14 50.

Mr Campbell says the Fair Work Ombudsman supports compliant, productive and inclusive Australian workplaces and aims to build a culture of compliance with workplace laws.

The recent auditing was conducted by the Agency’s dedicated Regional Services Team.

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