



**WRITTEN SUBMISSION TO FAIR WORK
AUSTRALIA IN RELATION TO AN
APPLICATION TO VARY *HAIR AND BEAUTY
INDUSTRY AWARD 2010***

MATTER NO. AM2009 / 206

18 FEBRUARY 2010

Introduction

1. Hair and Beauty Australia (HBA) is the peak body representing the hair and beauty industry in Australia. HBA has more than 1,000 salon owner members across NSW, Queensland, the A.C.T and Western Australia.

Scope of this Submission

2. This submission relates to HBA's application to vary the *Hair and Beauty Industry Award 2010* ("Modern Award") dated 30 December 2009.
3. For ease of reference, this submission will deal with the two issues which relate to HBA's above application separately.

Trainees and Graduate Wages – clause 19.3

4. The current clause 19.3 of the Modern Award only applies to "hairdressing trainees and graduates", despite the fact that the Modern Award covers both the hairdressing and beauty industry.
5. Under the current Australian Quality Training Framework, a person can become a qualified Hairdresser or Beauty Therapist by either completing an apprenticeship, or completing a full-time qualification at a Registered Training Organisation (RTO) through an institution-based pathway. Clause 19.3 relates solely to the latter of these pathways.

6. In the Modern Award, the only two (2) recognised trades are:
 - (a) a Hairdresser (who holds a Certificate III in Hairdressing, and is paid as a Hair and Beauty Employee Level 3); and
 - (b) a Beauty Therapist (who holds a Certificate IV in Beauty Therapy, and is paid as a Hair and Beauty Employee Level 3).

7. It is common for RTOs across Australia to offer both hairdressing and beauty therapy qualifications through institution-based pathways, and in relation to either of these qualifications:
 - (a) the on-the-job training component; and
 - (b) the duration of the qualification; and
 - (c) the level of skill of the individual immediately after completing the qualification; and
 - (d) the level of income that an individual can generate for a business, is extremely similar, regardless of the qualification that the individual has completed.

8. Under the Modern Award in its current form, two separate individuals:
 - (a) one who has enrolled in a Certificate III in Hairdressing; and
 - (b) one who has enrolled in a Certificate IV in Beauty Therapy,may be enrolled at the *same* RTO, and may have arranged employment for the purpose of full-time accredited training with the *same* employer, who operates a hair and beauty salon.

9. The inequality of the Modern Award is emphasised when one looks at the disparity of remuneration on the first day of full-time accredited training:
 - (a) the Hairdressing trainee will be entitled to a full-time weekly wage of \$350.68 (by virtue of clause 19.3 of the Modern Award); and
 - (b) the Beauty Therapy trainee will be entitled to a full-time weekly wage of \$615.00 (as such a person will be entitled to be paid as a Hair and

Beauty Employee Level 2 – unqualified beautician).

10. Point 9 above demonstrates that despite both individuals having had no training or experience on the first day of full-time accredited training, the Beauty Therapy trainee will be entitled to a full-time weekly wage which is 75% higher than that entitled to of a Hairdressing trainee.
11. Furthermore, even after a Hairdressing trainee has completed 1,000 hours of full-time accredited training, they will be entitled to a full-time weekly wage of \$478.20, compared to a full-time weekly wage of \$615.00 for a Beauty Therapy trainee who has just commenced their qualification and has had no training or experience whatsoever. The figures above demonstrate that a Beauty Therapy trainee who has no training whatsoever will be entitled to a weekly wage that is almost 30% higher than a Hairdressing trainee who has already undergone 1,000 of full-time accredited training.
12. In addition to the above, under the Modern Award in its current form, a beauty therapy trainee will commence on a full-time weekly wage of \$615.00, and when they complete the Certificate IV in Beauty Therapy qualification, they will be entitled to a full-time weekly wage of \$650.00, an increase of only 5.7%. This is compared to a hairdressing trainee, who will commence on a full-time weekly wage of \$350.68, and be entitled to a full-time weekly wage of \$637.60 **twelve months after** completing the Certificate III in Hairdressing qualification (see clause 19.3 of the Modern Award), a staggering increase of almost 82%.
13. HBA submits that the purpose of proposed clause 19.3 is to recognise that all individuals who are completing a trade qualification (whether it be a Certificate III in Hairdressing or a Certificate IV in Beauty Therapy) through

- an institution based pathway are engaged in full-time accredited *training*, and the minimum remuneration that such persons are entitled to should reflect a training wage for a fixed period of time, and not a working wage that a far more experienced individual would be entitled to.
14. The gross disparity in remuneration as emphasised above will have only one result – employers will be reluctant to employ individuals who are completing a Certificate IV in Beauty Therapy through an institutional based pathway, given the high cost, and will instead prefer to employ Beauty Therapy apprentices.
 15. It should also be noted that in Western Australia, a Beauty Therapy apprenticeship does not even exist, and given this, the Modern Award in its current form will have an adverse effect on the industry in that state.
 16. Given the above, HBA strongly submits that clause 19.3 should be amended to cover both hairdressing and beauty therapy trainees and graduates.

Overtime and penalty rates – Sunday work – clause 29.2(c)

17. Clause 29.2(c) of the Modern Award currently provides for a loading for all hours worked on a Sunday (“Sunday loading”) of 100%.
18. Anecdotal evidence shows that:
 - (a) 80% of hairdressing and/or beauty salons are closed on Sundays;
 - (b) 20% of hairdressing and/or beauty salons are open for business on Sundays; and
 - (c) 90-95% of the hairdressing and/or beauty salons identified in point 18(b) above are located in shopping centres across Australia.
19. Prior to the operation of the Modern Award on 1 January 2010, the Sunday loading for a hairdressing and/or beauty salon was either 50% or 100%, depending on which state or territory that salon was located in.
20. It is extremely common for shopping centres to include a term in all retail leases that salons must remain open for business on a Sunday.
21. Even if a salon owner located in a shopping centre preferred to remain closed on a Sunday, in order to comply with the terms of their retail lease, the salon owner would be required to nevertheless remain open for business.
22. Salons located in shopping centres are generally subjected to more onerous conditions than other salons, in terms of higher retail leasing rates, restrictions on specifically what services can be performed, and particular opening and closing times.

23. The significant increase in the Sunday loading for some salons, from 50% to 100%, will create a significant financial burden on many salons, almost all which are classed as 'small business'.
24. Further evidence suggests that if a Sunday loading of 100% remains payable, a notable portion of salons will actually operate at a loss every Sunday of each week.
25. It is thought that the intention of imposing a 100% Sunday loading was to compensate employees who are required by their employer to work on a Sunday, where the employer had the option of opening or closing on a Sunday, and preferred to open for business on that day.
26. The anecdotal evidence above emphasises that most salons which open for business on a Sunday only do so because they are required to under the terms of their retail lease.
27. Given the above, HBA submits that the Commission should seek to find a 'middle ground' for the Sunday loading of between 50% and 100%.
28. HBA submits that the Sunday loading in clause 29.2(c) of the Modern Award should be amended to 66%, which is double the loading that is payable for all hours worked on a Saturday (see clause 29.2(b) of the Modern Award).
29. Alternatively, if the Commission does not accept a Sunday loading of 66%, HBA submits that the Sunday loading in clause 29.2(c) of the Modern Award should be amended to 75%, which is at the same level as the Sunday loading as provided in the Hospitality Industry (General) Award 2010 (see clause 32.1).

30. It is submitted that, in HBA's opinion, the proposed Sunday loadings in points 28 and 29 above are adequate to ensure that remuneration for employees and the financial burden for salons are well balanced.

Contact Details:

Gregory Christo
Executive Director
HAIR AND BEAUTY AUSTRALIA
Suite 304 Level 3,
5 Hunter Street
SYDNEY NSW 2000
Ph: (02) 9221 9911
Email: greg.christo@hairandbeautyaustralia.com.au