

## **JUNE 2018 IR NEWS**

By CHAS CINI

The Fair Commission has handed down its Annual National Wage decision which comes into effect on 1<sup>st</sup> July 2018. It has resulted in a 3.5% increase to the award rates which appear in the Attachment. Allowances have also been adjusted and the new rates also are provided below.

If you have an Individual Flexibility Arrangement Agreement as per Clause 7 of the Award you should increase the rate of pay by 3.5% and check to ensure that the rate meets the Better Off Overall Test (“BOOT”).

If you are paying above award rates you may absorb this increase but be sure that the correct payment for overtime is also considered. Under payment of wages claims can be lodged up to six years after the employment ceases.

The new rates appear in the attachment to this update. Other information is provided but you can access the Award at

[https://www.fwc.gov.au/documents/documents/modern\\_awards/award/ma000035/default.htm](https://www.fwc.gov.au/documents/documents/modern_awards/award/ma000035/default.htm)

### **16. Payment of wages**

#### **16.1 Period of payment**

Wages must be paid weekly or fortnightly according to the actual ordinary hours worked each week or fortnight, or according to the applicable piecework payment.

#### **16.2 Method of payment**

Wages must be paid by cash, cheque or electronic funds transfer into the employee's bank or other recognised financial institution account.

#### **16.3 Payment of wages on termination of employment**

On termination of employment, wages due to an employee must be paid on the day of termination or forwarded to the employee by post on the next working day.

## **31. Overtime**

**31.1** All time worked by an employee in excess of the ordinary hours in clause 30.1 will be regarded as overtime.

**31.2** The rate of pay for overtime for a Farm and livestock hand will be time and a half, except on Sunday when the rate will be double time, except in the case of



## **Mediation and Employment Relations Service**

135 Fullarton Road Rose Park SA 5067 Phone: 08 8331 2422  
Email: [chas@mers.com.au](mailto:chas@mers.com.au) Website: [www.mers.com.au](http://www.mers.com.au)

feeding and watering stock when such work will be paid for at the rate of time and a half.

**31.3** An employee may elect to take time off duty, with pay, for a period equal to the overtime worked.

**31.4** No employee will be entitled to payment for overtime, or equivalent time off instead, unless the employee makes a claim to the employer or their authorised representative either within two weeks after the overtime is alleged to have been performed or by the next date of payment of the employee's wages, whichever is the later.

**31.5** For the purpose of computing payment for overtime work for an employee engaged on 'with keep' terms, the cash value of such employee's wages must be deemed to be not less than the wage prescribed in this award for a similar class of employee with the value of keep added.

***Payment at double time or time and a half on Sundays ONLY applies when the employee has exceeded 152 hours over four weeks (average of 38 hours per week)***

### **32. Payment for public holidays**

Where a Farm and livestock hand is required to perform work on a public holiday the rate of pay will be double time.

**When calculating the rate for a casual please refer to the wages table in the Attachment.**

### **17.2 Expense-related allowances**

#### **(a) Tool and equipment allowance**

**(i)** Where the employer requires employees to supply their own tools and equipment, the employer must reimburse the employees for the cost of supplying such tools and equipment.

**(ii)** The provisions of this clause do not apply where the tools and equipment are paid for by the employer.

#### **(b) Use of vehicle allowance**

Where an employer instructs employees to use their own vehicle during working hours to relocate materials, equipment, or personnel either within the normal work location or on public thoroughfares, the employees will be paid an allowance of 78 cents per kilometre.



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### (c) Meal allowance

(i) If an employee is required to work overtime after working ordinary hours (except where the period of overtime is fewer than one and a half hours), the employee will be paid \$13.34 for the first and any subsequent meals. Alternatively, the employer may supply the employee with a meal.

(ii) An employee required to work overtime for more than two hours after the employee's ordinary ceasing time without having been notified before leaving work on the previous day that the employee will be required to work overtime, will be provided free of cost with a suitable meal, and if the work extends into a second meal break, another meal, provided that in the event of the meal not being supplied the employee is entitled to a payment of \$13.34 for each meal not supplied.

### 17.4 All-purpose allowances

The following allowances apply for all purposes of this award:

#### (a) Leading hands

A leading hand in charge of two or more people must be paid as follows:

In charge of	% of the <u>standard rate</u>
2–6 employees	115% per week extra
7–10 employees	134% per week extra
11–20 employees	191% per week extra
More than 20 employees	240% per week extra

#### (b) First aid allowance

An employee designated by the employer to render first aid in addition to his or her usual duties and who is the current holder of a recognised first aid qualification, such as one from St John Ambulance or a similar body, must be paid a daily allowance of 14% of the standard rate to carry out such work.

### 27. Classification levels appear in Clause 27 of the Award

[https://www.fwc.gov.au/documents/documents/modern\\_awards/award/ma000035/default.htm](https://www.fwc.gov.au/documents/documents/modern_awards/award/ma000035/default.htm)



## **Superannuation**

The employer's current contribution of 9.5% remains unchanged until 1<sup>st</sup> July 2021 when it will increase to 10%.

Superannuation contributions by employers must be made for employees as follows if the employee is:

- over 18 and earns more than \$450 before tax in a calendar month
- under 18 and work more than 30 hours a week (and still earn more than \$450 in the calendar month)

***Please note that this contribution is only payable on ordinary time earnings and not overtime. If unsure please do not hesitate to contact me.***

The increase schedule is as follows:

Financial Year	Rate (%)
2018/2019	9.5
2019/2020	9.5
2020/2021	9.5
2021/2022	10.0
2022/2023	10.5
2023/2024	11.0
2024/2025	11.5
2025 and onwards	12.0



## Wage Rate Attachment

### 28.1 Adult wages

The following wages apply to Farming and livestock hands **broadacre farms** classified under clause [27—Classifications](#) of this award:

Classification	Weekly award rate	Hourly rate	Hourly rate	Overtime Fulltime		Overtime Casuals		
	FullTime	FullTime	Casual	150%	200%	150%	200%	
	\$	\$	\$	\$	\$	\$	\$	
FLH1	719.20	18.93	23.66	28.40	37.86	33.13	43.78	Feedlot Cattle Dairy Broadacre
FLH3	750.60	19.75	24.69	29.63	39.50	34.56	45.67	Dairy Broadacre
FLH5	782.00	20.58	25.73	30.87	41.16	36.02	47.59	Dairy Broadacre

**PLEASE Note when calculating overtime you are not required to apply to the total casual rate. The formula is time and a half (or double time when applicable) multiplied by the FULL TIME rate plus 25% of fulltime rate eg FLH 1 (\$18.93 x 150%) + (\$18.93\*25%) = \$32.01**

### 28.2 Junior wages

Age of employee	% of relevant adult rate
Under 16 years of age	50
16 years of age	60
17 years of age	70
18 years of age	80
19 years of age	90
20 years of age	100

**Reference to “standard rate” appearing in this Update means the hourly rate payable to a Farm and livestock hand level 2 in clause [28.1](#)**

### 28.3 With Keep Rate

If keep is provided then the minimum wage will be the rates prescribed above less \$127.51 per week.