



Mediation and Employment Relations Service

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LSA MEMBER UPDATE MAY 2019

Single Touch Payments (“STP”). Letters of employment, and casual employment

The end of the financial year is now fast approaching and some house keeping for compliance were changes in the Industrial Relations field need attention.

1. Single Touch Payments is required within the next 6 weeks

1.1 Small Employers

Small employers (those who employ 19 and less employees) must comply with the Tax Office Single Touch Payment (STP) by 1st July 2019. All employees must be reported through the STP from the 1st July 2019 and you should speak with your Accountant, Bookkeeper, payroll processor or, the provider of your payroll package.

If you process the payroll, you should refer to the following link.

<https://www.ato.gov.au/newsroom/smallbusiness/employers/introducing-single-touch-payroll-to-all-employers/>

1.2 Large Employers (20 or more employees)

Large employers (20 or more employees) were required to be compliant by 1st July 2018.

2. Letters of Employment

Clause 10 of the Pastoral Award 2010 states, “At the time of engagement an employer will inform each employee of the terms of their engagement and, in particular, whether they are to be full-time, part-time or casual”.

Last year’s decision where an employer failed to notify a casual employee that his wage rate included 25% loading which is paid instead of annual leave, personal/carer’s leave, notice of termination, redundancy payments and other attributes for full-time or part-time employment. This resulted in the employer back paying the employee for the entitlements of full-time and part-time employment but was not able to offset the 25% loading.



When engaging casual employees be sure to provide them in writing that the hourly rate includes the 25% casual loading instead of the paid leave and other benefits of a full-time or part-time employee.

3. Casual Employment

3.1 Casual v Full-time or Part-time Employment?

The cost of the casual loading exceeds that of paid leave for full-time or part-time employees. Unfair dismissal rights do not apply to employees of small employers (less than 15 employees) so the past practice of engaging employees on a casual basis in effect as a trial was intended to minimise the risk of unfair dismissal claims. That no longer applies and a small employer may terminate an employee's employment (other than unlawful reasons eg discrimination) within the first 12 months of employment.

A copy of the Small Business Fair Dismissal Code is available at this link [Small Business Fair Dismissal Code](#)

3.2 Casual Employees Right to Request Conversion to Full-time or Part-time Employment

Late last year the Award was varied to allow a regular casual employee (a casual employee who has been employed for the period of 12 months and who has worked a pattern of hours on an ongoing basis may apply to convert from casual to full-time or part-time employment. Whilst it is generally cheaper to engage an employee on a full-time basis, there are some pitfalls if you engage the person on a part-time basis.

A part-time employee and the employer must "agree in writing on a regular pattern of work, specifying at least a day's worked to each day, which days of the week the employee worked and the actual starting and finishing times each day". This removes the flexibility that exists with casual employment because if the part-time employee works outside of the agreed days and times they are eligible for overtime.

A part-time employee may therefore qualify for overtime if they work less than 38 hours per week. However, "an employer and employee may agree in writing to the employee taking time off in lieu of being paid for all overtime that is worked by the employee under this agreement". This allow some flexibility but please note written agreement with the employee must be reached before withholding payment for overtime, and allowing the employee to take an equivalent amount of time off. Time off in lieu of payment must be taken within 6 months of it being worked.

If you have any queries p-lease do not hesitate to contact me.