



Mediation and Employment Relations Service

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By Chas Cini

SADA MEMBER UPDATE - JUNE 2019

The following developments have occurred but, in addition particular attention to the 1st July 2019 needs to be made.

SINGLE TOUCH PAYROLL

We have provided information in the previous Member Updates and, this Update acts as a reminder the Single Touch Payroll System comes into effect on 1st July 2019 for small employers (fewer than 20 employees).

It is important that you connect with this system from that date, as the Australian Taxation Office may impose penalties for non-compliance.

It applies to all small employers from the 1st July 2019 and applied to larger employers (20 or more) from 1st July 2018.

MINIMUM WAGE ADJUSTMENT

Last week the Fair Work Commission handed down its minimum wage adjustment for 2019/2020. That decision will come into effect on the 1st July 2019 and, will increase the minimum wage by 3%. It will also impact on allowances.

The Fair Work Commission will update the Award with the new rates later this month and, that will appear in our July 2019 update (or earlier).

The new rates will most likely be made available late in June for implementation from the 1st pay period commencing on or after 1st July 2019.

On 30th May 2019 the Fair Work Commission rejected the ACTU's push for a "living wage", finding it would require increases in the minimum of wage that posed a "significant risk of misemployment".

In handing down its minimum wage adjustment and minimum wage (for example farm and livestock hand Level 1) will increase from \$18.93 per hour or \$719.20 per week for a full-time employee to \$19.49 per hour or \$740.80 per week being a rise of \$21.60 per week.

The increase this year was lower than that of last year's 3.5% after economic changes such as the reason in the GDP growth and a drop-in inflation, plus tax transfer changes. The Commission also stated that the increases would mean an improvement in real wages for award dependent employees and "would not lead to any adverse inflationary outcome or any measurable negative impact on employment". The Fair Work Commission went further to say that the relative living standards and needs of low paid employees were but "one of a number of considerations" which was required to take into account. "Last year we concluded that fairness" in the context of the Modern Award's objectives and the minimum wage objectives includes the prospective of employees and employers".

RETURN TO WORK SA

Return to Work SA has advised the following:-

1. 53,000 registered employers have been invoiced for their 2019/2020 levies.
2. 82% of those registered employers will receive the full discount due to them not having any claims in the past year.
3. 1.35% registered employers will have a partial discount.
4. 12.65% of registered employers will pay the industry rate.
5. 4% of registered employers will experience a penalty.
6. The total value of claims with Return to Work SA is currently \$2.8Bn.

The employer's premium continues to drop. In 2018/2019 when it was 1.7% but, in the forthcoming financial year the premium will drop to 1.65%.

Employers will be able to choose whether they wish to estimate for the next forward year what their salary and wages costs will be or, they can continue with the current "hindsight adjustment" which is based on the previous year.

Completion of the remuneration that is lodged at the end of the financial year now has been extended for employers to lodge within 10 weeks rather than the previous 3 weeks to provide the information to Return to Work SA.

Employers can now choose whether to pay their levy in one instalment or, 9 instalments.

Employers may wish to improve their on-line function by resetting their password.

RETURN TO WORK STATISTICS

Currently employees who are injured and have lodged claims return to work as follows:-

- a) Within the first 4 weeks 80%.
- b) Within the first 13 weeks 86.5%.
- c) Within the first 26 weeks 89.4%.
- d) Within the first 52 weeks 92.7%.
- e) Within the first 104 weeks 95.4%.

Employees who do not return to work within the 2-year period cease to receive weekly payments unless they have a more than 30% whole of body injury.

WORKERS COMPENSATION DISPUTES

During the last year of the previous legislation (2013) there were over 400 disputes lodged in the Tribunal per month against Determinations made by the Agents. Currently the number of disputes has been reduced to about 120 per month.

WORKERS COMPENSATION APPLICATIONS

“My claim ap” is now available on the Return to Work SA website
www.rtwsa.com/claims/when-an-injury-occurs/my-claim-ap

INVESTIGATIONS

Of 151 investigations which were commenced in relation to

1. Non-compliance by employers meeting their obligations,
2. 83 have now been completed.
3. There were 22 matters investigated for fraud regarding benefits and so far, 1 prosecution.
4. 30 employers have been reported for levy evasion.

In 2018/2019 there were 18 claims for employers who failed to provide suitable work for injured workers.

If you have any queries, please do not hesitate to contact me on 8331 2422 or contact SADA.

Yours sincerely

Chas Cini