

2017 July ESKi update pack - v2

In this pack you will find ESKi pages and resources which have updated. Dates are listed alongside so you can check your version and easily find / replace pages and resources you have downloaded.

Missed a previous ESKi update?

This ESKi pack includes the latest information regarding pay rates which **apply from July 1 2017** (listed in red below).

Note: look out for this orange icon which flags pages that may require future updating

This information is available at www.thepeopleindairy.org.au/eski



Section and pages

Payroll

ESKi pg 3/4 (check the minimum pay, record keeping) **Updated July 2017**

How do I tackle pay rates? fact sheet (2 pages): Updated July 2017

Leave

ESKi pg 1/2 - Can i make my employees take leave (relates to Pastoral Aware employees and excessive leave) **Updated July 2017**

Also available at www.thepeopleindairy.org.au/eski/leave.htm

IFA

ESKi pg 3/4 (Flat rate pay calculator eg: if you are thinking of trying out an IFA) **Updated July 2017**

Flat Pay Rate calculator: www.thepeopleindairy.org.au/LiteratureRetrieve.aspx?ID=72476
Updated July 2017 (not in this pack - excel spreadsheet)

Pastoral Award 2010

Pastoral Award 2010

Download marked up version: <http://bit.ly/PastoralAward>
Updated July 2017 (not in this pack)

In Western Australia?

Read more WA state industrial laws: www.thepeopleindairy.org.au/WAstatelaws
Updated July 2017



Pay rates are reviewed every year and likely to change - check at www.thepeopleindairy.org.au/payrates

Employee classification	Hourly rate	Weekly rate
FLH1	\$18.29	\$694.90
FLH3	\$19.08	\$725.20
FHL5	\$19.88	\$755.60
FLH7	\$21.29	\$809.10
FLH 8	\$22.88	\$869.30

Check the minimum pay

Reminder: the pay rates in the Pastoral Award 2010 apply to all national system employers across Australia, regardless of award coverage prior to 1 January 2010.

The minimum hourly rates for each employee classification are listed in the table above (you must pay these rates or above) which apply from the first pay period after 1 July 2017. These apply from **1 July 2017 – 30 June 2018**, based on ordinary hours of work of 152 hours over 4 consecutive weeks.

All time worked in excess of 152 hours over 4 weeks is overtime, and paid at time and a half, except on Sundays when the rate is double time (in the case of feeding and watering stock, Sunday work is paid at time and a half).

An **overtime and ordinary hours factsheet** is included later in this section and is available at www.thepeopleindairy.org.au/LiteratureRetrieve.aspx?ID=147571

In WA? Pay rates depend on how you run your business. The current minimum weekly rate of pay is \$708.90 per week or \$18.66 per hour from the first full pay period beginning on or after 1 July 2017.

Read more about WA state industrial laws and pay rates at:

www.thepeopleindairy.org.au/engagement-reward/WA-state-industrialaws.htm#minimum-wage

Payment of wages

The Pastoral Award 2010 requires wages to be paid weekly or fortnightly by cash, cheque or EFT. 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.



You must keep written time and wages records for your employees for 7 years

Record keeping – what written records do you have to keep?

Under the Fair Work Act employers have to keep written time and wages records for their employees for 7 years.

Who & when

- the employer's name and the employee's name
- your Australian Business Number
- the date the employee started work.

Type of employment, hours & rates of pay

- if the employee is full-time or part-time
- whether the employee is permanent, temporary or casual
- the employee's pay rate, including gross and net amounts and any deductions from the gross amount
- loadings, allowances, bonuses, incentive-based payments, penalty rates or other paid entitlements that can be singled out
- if a penalty rate or loading must be paid for overtime hours:
 - the number of hours of overtime worked, or
 - when the employee started and finished working overtime.
- if the employee works casual or irregular part-time hours and has a guaranteed pay rate for a set period worked:
 - number of hours worked.
- if you and your employee have agreed to an individual flexibility agreement: a copy of the agreement.

Leave (all types)

- leave taken
- leave balance.

Superannuation

- amount paid
- pay period
- date(s) paid
- name of super fund
- a record of the **employee's super fund choice** and the date they made that choice.

FAQ: How do I tackle pay rates?



Updated July 2017

Step 1 – what is the employee’s classification?

All employees should be given a classification which accurately reflects their skills and experience and the work they do. As a minimum, wages paid to the employee should meet award rates of pay which apply to their classification. The Pastoral Award 2010 applies to dairy employees. There are 5 employee classifications for dairy in the Award, which are summarised in the table overleaf.

Step 2 – find the minimum hourly rate – (you must pay this rate or above)

As of 1 July 2014, transitional pay rates no longer apply.

Reminder: as of 1 July 2014, the pay rates in the Pastoral Award 2010 apply to all [national system employers](#) across Australia, regardless of award coverage prior to 1 January 2010.

The minimum hourly rates for each employee classification are listed in the table below which apply from the **first pay period on or after 1 July 2017**

Employee classification	Hourly rate	Weekly rate
FLH 1	\$18.29	\$694.90
FLH3	\$19.08	\$725.20
FLH5	\$19.88	\$755.60
FLH7	\$21.29	\$809.10
FLH8	\$22.88	\$869.30

Step 3 – is the employee full time, part time or casual?

Under the Pastoral Award 2010 ordinary hours are 152 hours worked over a four-week period. Ordinary hours for casuals are the same as for full-time employees. All part-time and casual employees are entitled to a minimum payment of 3 hours' work. A casual worker must be paid at the hourly rate plus 25%.

Can I pay a flat hourly rate?

Once you have worked out the relevant minimum amounts of pay required by law and any other benefits which you may be able to provide, you can begin to work out a package.

Sometimes it may be more straightforward to pay a flat rate of pay taking into account overtime and penalty rates. As this is a variation to the award, the employer and employee must formalise the pay rate as part of an Individual Flexibility Agreement (IFA) or an enterprise agreement.

IFA's and enterprise agreements must pass the Better Off Overall Test (BOOT) to ensure the employee is better off overall compared to the award.

www.thepeopleindairy.org.au

Templates & Tools

Use the **flat rate calculator (excel spreadsheet)** to work out the hourly flat rate that takes into account overtime & penalty rates. Visit www.thepeopleindairy.org.au/LiteratureRetrieve.aspx?ID=72476

Further Reading

National Training Wage Schedule
www.thepeopleindairy.org.au/LiteratureRetrieve.aspx?ID=127018

National Employment Standards
www.thepeopleindairy.org.au/engagement-reward/national-employment-standards.htm

Stepping Stones provides information on the different types of careers and explores the different pathways available for people looking to start and/or progress their dairy career further available at www.thepeopleindairy.com.au/steppingstones

Other topics

Pay rates, Working out a package and the Pastoral Award 2010 are available at www.thepeopleindairy.org.au/engagement-reward/pay-rates.htm

Record keeping
www.thepeopleindairy.org.au/engagement-reward/record-keeping.htm

FAQ: How do I tackle pay rates?

Updated July 2017

Classifications

Pastoral Award 2010 classification	Job category	Indicative Training level
<p>Farm and livestock hand level 1 (FLH1) Dairy operator grade 1A with less than 12 months' experience in the industry who:</p> <ul style="list-style-type: none"> uses their knowledge and skills to perform set procedures such as milking and attending to livestock, haymaking, fencing. 	<p>Assistant Farm Hand (works under supervision)</p> <p>This category is for people who are involved in a general range of farming tasks and working under supervision.</p>	Certificate II
<p>Farm and livestock hand level 3 (FLH3) Dairy operator grade 1B with 12 months' experience in the industry who:</p> <ul style="list-style-type: none"> uses their knowledge and skills to perform set procedures such as milking and attending to livestock, haymaking, fencing. 	<p>Farm Hand (works under limited supervision)</p> <p>This category is for people who are skilled or unskilled in a range of farming operations and work either independently or as part of a team.</p>	Certificate III
<p>Farm and livestock hand level 5 (FLH5) An employee at this level includes: Dairy operator grade 2 who:</p> <ul style="list-style-type: none"> has two years experience in the industry; uses their knowledge and skills to multiple operations involving basic levels of problem solving and decision making; and has an appreciation of the overall processes involved in a dairy farm. 	<p>Senior farm hand</p> <p>This category is for skilled people working either independently or as part of a team.</p>	Certificate IV
<p>Farm and livestock hand level 7 (FLH7) An employee at this level includes: Senior dairy operator grade 1 who:</p> <ul style="list-style-type: none"> uses their knowledge and skills to coordinate the operation of a farm process or area of expertise e.g. milking and animal attendance, pasture and farm maintenance, breeding programs and artificial insemination area. 	<p>Production Manager (implements policy and sets tactics)</p> <p>People in this role have significant responsibilities in managing the production activities on a dairy farm.</p> <p>Dairy farm production managers demonstrate broad industry knowledge and advanced technical skills.</p>	Diploma
<p>Farm and livestock hand level 8 (FLH8) An employee at this level includes: Senior dairy operator grade 2 who:</p> <ul style="list-style-type: none"> under the direction of the owner or manager uses their expertise and skills in order to supervise and maintain the operation of a dairy farm. 	<p>Senior Production Manager (farm supervisor) (supervises staff and reports to management)</p> <p>People in roles of this category have responsibility for staff and various production activities on the farm.</p> <p>A supervisor is expected to carry out some business management activities like monitoring OH&S in the workplace, preparing operating budgets and supervising work routines of others. A senior production manager uses industry knowledge and may be asked to solve a range of problems.</p>	Diploma
<p>Award-free business manager</p>	<p>Business Manager (sets policy)</p> <p>People in roles in this category have significant responsibility for ensuring the dairy enterprise is managed successfully.</p> <p>They are expected to demonstrate extensive industry knowledge, technical skills and business management principles in order to perform this complex role.</p>	Advanced diploma

What are employees' leave entitlements?

Annual leave

All full-time employees are entitled to four weeks paid annual leave each year. Part-time employees accrue paid annual leave on a pro rata (proportional) basis. The Pastoral Award 2010 (which covers dairy employees) provides for a 17.5% annual leave loading to be paid to award employees when taking annual leave and upon termination if any annual leave is paid out.

Leave loading is a payment of 17.5% in addition to the base rate of pay to compensate employees for the loss of overtime pay while they are on annual leave.

Casual employees are not entitled to annual leave as the casual loading is calculated to include a component to compensate them for loss of annual leave entitlements.

Can employees cash out their annual leave?

As of 29 July 2016, employers and employees covered by the Pastoral Award 2010 can agree in writing to cash out annual leave.

Each agreement to cash out annual leave must be in writing and the payment must be for the full amount that the employee would have been paid if the employee had taken the leave. A separate agreement is required each time annual leave is cashed out.

Employees who are not covered by an award or enterprise agreement (such as managers) may agree in writing with their employer to cash out annual leave.

Can an employee request annual leave at the busiest time of year?

The information you are looking for is contained in the National Employment Standards. The National Employment Standards state, at clause 88:

Taking paid annual leave:

- Paid annual leave may be taken at times agreed between an employee and his or her employer.
- The employer must not unreasonably refuse to agree to a request by the employee to take paid annual leave.

Resources in this section

- [Application for Leave form](#)
- [Leave record templates](#)

The Pastoral Award 2010 and the National Employment Standards are bulky documents which, for your convenience, are located at the back of this ESKi folder.

Can I make an employee take leave? (Updated July 2017)

Terms about excessive leave in the Pastoral Award 2010 changed as of **29 July 2017**.

Accrued annual leave is regarded as 'excessive' if more than eight weeks' annual leave has accrued. If employees have accrued excessive annual leave, the employer and the employee can discuss ways to reduce or eliminate the amount of leave owing.

If the employer and the employee cannot agree on the taking of leave, clauses 23.6, 23.7 and 23.8 of the Pastoral Award 2010 provide a procedure for the employer to direct the employee to take the excessive leave and a procedure for the employee to require the employer to grant the excessive leave.

These provisions only apply if there is an excessive leave balance (more than eight weeks' leave accrued). Read more at www.thepeopleindairy.org.au/engagement-reward/pastoral-award.htm#annual

How much sick leave do I have to pay?

Sick leave is now called personal leave. Under the National Employment Standards full-time employees (other than casuals) are entitled to 10 days paid personal/carer's leave for each year of service.

Personal/carer's leave accrues on the basis of the employee's ordinary hours of work progressively throughout the year and from year to year and there is no cap on how much of this leave can be used for carer's leave. Personal leave can be taken if the employee is not fit for work due to personal illness or injury, and generally a doctor's certificate should be provided.

Carer's leave can be taken to provide care or support for a member of the employee's household or immediate family due to personal illness or injury or an unexpected emergency. Payment for personal/carer's leave is at the employee's base rate of pay for ordinary hours of work. Unpaid carer's leave may also be taken if personal leave has been used up.

Which leave gets paid out on termination?

Accrued annual leave must be paid out on termination. You don't have to pay out accrued personal/carer's leave. Long service leave may have to be paid out on termination (see below).

Flat pay rate calculator tool example (updated July 2017)

Use the flat rate calculator tool to work out the hourly flat rate that takes into account overtime, penalty rates and the 17.5% annual leave loading.

How to use the flat pay rate calculator...

1. Enter the minimum hourly rate for the position, based on the classification.
2. The number of ordinary hours is already entered. It is assumed to be 38 hours as specified in the Pastoral Award 2010.
3. Enter any hours worked on Sundays that were after the employee had exceeded 152 hours within a 4-week period.
4. Enter the overtime hours worked after the employee had exceeded 152 hours within a 4-week period.
5. Enter number of hours and days rostered to work on public holidays over 12 months.
6. The average hourly rate will be calculated. This rate is the minimum that needs to be paid to pass the BOOT test.

Here is an example of a flat rate of pay (\$23.76), calculated using the calculator, for an employee classified as an FLH5 (senior farm hand) at a minimum hourly rate of \$19.88. Download the flat pay rate calculator from <http://bit.ly/flatpaycalc>

	No. hours	Rate	Total
Minimum hourly rate for the FLH5 classification			\$19.88
Ordinary hours per week	38	1	\$755.44
Sunday >152 hrs/4 wks	4	2	\$159.04
Overtime hours	13	1.5	\$387.66
Total hours per week	55		
Average hourly rate with overtime			\$23.68
Hours worked on public holidays and number of holidays worked in the year	3	5	\$298
Total annual salary			\$66,351
Total hours	2792		
Average hourly rate			\$23.76



The information in this example is current as at printing - stay up to date with the latest pay rates & IFA information at www.thepeopleindairy.org.au/eski/ifa.htm

Learn more

Download IFA template documents at
www.thepeopleindairy.org.au/eski/ifa.htm



If you are thinking of trying out an IFA

If you think you would like Individual Flexibility Agreements for your employees, you should contact your dairy adviser or legal adviser.

While an IFA is a relatively simple document, there are a few pitfalls you need to be aware of.

An IFA can also only be made after the employee has commenced employment and is entitled to the minimum award conditions contained in the relevant modern award. This means an employer cannot ask a prospective employee to agree to an IFA as a condition of employment.

Most importantly, you cannot force an employee to enter into an IFA and a person must not be treated adversely or discriminated against for refusing to agree to an IFA.

The flat rate will need to be recalculated every time there is a minimum wage increase and to reflect increases due to reclassification of the employee, e.g. moving from an FLH1 after one year to an FLH3.

Finally, the flat rate and BOOT test will only hold true if your employee's hours of work don't exceed the estimated hours. Accurate record keeping is crucial.

“The extra time and effort involved in putting together an IFA has been repaid tenfold by taking the worry out of paying my employee.”

– Tasmanian dairy farmer