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Annual leave, loading, overtime – updates to the Pastoral Award

By CHAS CINI

On July 29, 2016, a number of changes were made to the Pastoral Industry Award which means livestock producers employing staff are likely to be impacted.

Annual leave
Annual leave conditions were amended to enable employers and employees to agree to 'cash out' annual leave and request to take annual leave in advance.

An employee wanting to cash out annual leave must have at least four weeks' annual leave remaining after the leave is cashed out. The maximum amount of accrued paid annual leave that may be cashed out in 12 months is two weeks. The employer and employee need to complete and sign the written agreement (called Schedule E).

Employees can take annual leave before it is accrued but there must be an agreement in writing, signed by both the employee and employer (Schedule F of the Award). It must specify the start date of the leave and how much leave is being taken in advance.

Leave and loading
An employee is to be paid by electronic funds transfer in accordance with their usual pay cycle while on paid annual leave. However, an employer may agree to pre-pay at the time of the employee commencing annual leave. Employees on leave are also entitled to be paid 17.5% loading on the normal weekly hours (up to 38 hours, excluding overtime).

Work health and safety
Workers' compensation claims now result in Return to Work SA recovering wages for lost time (subject to capping) in addition to the industry levy. No claims and an early return to work when claims occur reduce workers' compensation levy payments.

Farmers should establish who their worker's compensation agent is in case accidents occur. The two agents in SA are Employers Mutual Ltd and Gallagher Bassett Ltd. It is vital that if a claim is lodged, employers notify an agent within five working days. Failure to do so will result in the employer paying the first two weeks' wages from the time the worker is away.

Consult the new Farmers Guidebook to Work Health and Safety for more information on managing WHS on-farm. These are available from Livestock SA.

Superannuation
The superannuation guarantee contribution is currently 9.5 per cent of ordinary time earnings (a 38-hour week), but it will increase in time to 12pc. Overtime is not included when calculating superannuation.
Employers need to pay superannuation if employees are 18 years old or over, are paid $450 or more per calendar month (before tax), or if they are under 18 and are paid $450 or more per calendar month and work more than 30 hours per week.

This applies whether they work casual, part-time or full-time hours, and if they are a temporary resident.

Employers also have to pay super for contractors if the contract is mainly for labour and even if they have their own Australian Business Number.

Calculating overtime

When calculating overtime for casual employees the casual loading (25%) does not attract overtime rates. Overtime is based on the full-time hourly rate multiplied by time-and-a-half or double time, and then the casual loading to be added on.

For example, a full-time ‘farm and livestock hand Level 5 earns $19.25/hour but a casual earns $24.06/ hr due to the 25% loading ($4.82). When calculating overtime for a full-time employee, it is correct to add time-and-a-half to the base rate, ie, $19.25 and $9.63 to equal $28.88/hr.

However, if the employee is a casual FLH 5, employers need to add 25pc of the $19.25 ($4.82) to the full-time rate for a total of $33.70/hr. Do not multiply the casual rate of $24.06 by time-and-a-half or double-time.

A similar formula is used when the overtime is at double time by replacing the time-and-a-half ($9.63) with double ($19.25) and in the case of a casual, adding the 25pc ($4.82).

- Chas Cini will be available at the Livestock SA Update & AGM on September 16 to answer Pastoral Award questions. Contact Livestock SA on 08 8297 2299 for more information or visit www.livestocksa.org.au/AGM