JUNE 2017 IR NEWS

By CHAS CINI

The Fair Commission has handed down its Annual National Wage decision which comes into effect on 1st July 2017. It has resulted in a 3.3% increase to the award rates which appear in the table below. 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 3.3% 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 me lodged up to six years after the employment ceases.

The recent decision to reduce penalty rates applies to only four of the 122 awards. <u>It does not apply to Broadacre farming and shearing as penalty rates at not payable at all.</u>

You should visit the Fair Work Commission for the full version of the award at https://www.fwc.gov.au/documents/documents/modern_awards/award/ma000035/de fault.htm

Reference to "standard rate" apearing in this Update means the hourly rate payable to a Farm and livestock hand level 2 in clause $\underline{28.1}$

The following wages apply to Shearers, Crutchers, Shearing Cooks, Woolclassers, Woolpressers, Shed Hands and Station Cooks from 1st July 2017 classified under clause 33—Classifications (below) of this award.



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5. Minimum wages

- 45.1 Rates for Shearers—if not found employee
 - (a) For flock sheep (wethers, ewes and lambs):

If not found employee, by machine \$301.96 per 100 which is arrived at by:

Shearer's formula	\$
Minimum rate	763.44
Plus 20% piecework allowance—min rate x 20%	152.69
Plus 25% casual loading—min rate x 25%	190.86
Subtotal	1106.99
Plus shearing industry allowance	217.12
Plus rations	58.18
Plus allowance for combs/cutters	104.00
Plus payment for handpiece	23.51
Weekly total for casual piecework shearer with own handpiece (500 sheep)	1509.80
Rate per 100 conversion—total divided by 5	301.96

- (b) For rams (other than special stud rams) and ram stags—double the rate for flock sheep.
- (c) For stud ewes and their lambs—one and a quarter times the rate for flock sheep.
- (d) For double-fleeced sheep—one and one-third times the rate prescribed appropriate to the class of sheep.
- (e) For hand shearing—7.5% additional to the rate for each class of sheep.
- (f) Any Shearers that are required to provide their own stud combs will be paid 25% additional to the rate of each class of sheep.
- (g) For special studs—as agreed.
- (h) If found employee—the rates prescribed above less the amount of \$30.56, which is arrived at by adding the Shearing cook's daily rate to one fifth of the Shearers' ration component.



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(i) Engagement by the day:

[\$225.60 per day if not found employee;

\$195.04 per day if found employee.

The per day rate for not found employees is calculated by the old not found employee daily rate multiplied by Shearers rate per 100 divided by the old Shearers rate per 100 (less found deduction if found employee).

45.2 Rates for crutching

(a) Piecework rates—if not found employee:

	Per 100 \$ At sheds	Per 100 \$ Other than at sheds
 Full crutching, that is, shearing the inside parts of the legs, between the legs, and around and above the tail. In addition when required: removing wool that has been struck by blowfly; lifting the bottom leg and shearing that leg prior to turning the sheep around and above the tail; and/or giving up to two blows above the tail 	87.57	75.49
All other crutching	69.45	60.39
For wigging or ringing	33.22	33.22
For either wigging or ringing in addition to crutching	9.06	9.06
For wigging and ringing	54.35	54.35
For wigging and ringing in addition to crutching—crutching rate plus	15.10	15.10
For cleaning the belly of any ewe above the teats (no more than two blows of the machine or shears)—crutching rates plus	7.55	7.55



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(b) In addition to the payments per 100 contained in this clause an allowance of \$9.69 per person per day will be paid for the lack of amenities when crutching is performed other than at sheds, which is arrived at by the formula in clause 45.2(c).

(c) Crutching formula

Full crutching at sheds	29% of Shearers per 100 rate
All other crutching at sheds	23% of Shearers per 100 rate
Full crutching other than at sheds	25% of Shearers per 100 rate
Turi crutching other than at sneus	23 % of Shearers per 100 fate
All other crutching other than at sheds	20% of Shearers per 100 rate
	110/ 501 100
Wigging or ringing	11% of Shearers per 100 rate
Wigging or ringing in addition to crutching	3% of Shearers per 100 rate
Wigging and ringing	18% of Shearers per 100 rate
wigging and imging	16% of Shearers per 100 fate
Wigging and ringing in addition to crutching	5% of Shearers per 100 rate
Cleaning bellies etc.	2.5% of Shearers per 100 rate

(d) Special crutching rates

- (i) For crutching stud ewes and their lambs one and a quarter of the rates prescribed in clause 45.2(a).
- (ii) For crutching rams and ram stags double the rates prescribed in clause 45.2(a).
- (e) If found employee—the rates prescribed above less the amount of \$30.56, which is arrived at by adding the Shearing cook's daily rate to one fifth



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of the Shearers' ration component.

45.3 Rates for Shed hands

(a) If not found employee:

Adults	Weekly \$	Per run \$
For adults with less than 65 work days experience as a shed hand	1082.25	54.11
For adults with 65 or more work days experience as a shed hand	1138.38	56.92

These amounts are arrived at by using the formula in clause 45.3(b).

(b) Shed hands (adult) formula

	\$
With less than 65 work days experience in the industry	
Minimum rate—which is 84.56% of Shearer's minimum rate	645.56
Plus 25% casual loading—new minimum wage rate x 25%	161.39
Plus shearing industry allowance	217.12
Plus rations	58.18
Total	1082.25
Per run—divide by 20	54.11
With more than 65 work days experience in the industry	
Minimum rate which is 90.44% of Shearer's minimum rate	690.46
Plus 25% casual loading—new minimum wage rate x 25%	172.62
Plus shearing industry allowance	217.12
Plus rations	58.18
Total	1138.38
Per run—divide by 20	56.92

(c) Shed hands (junior) formula



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	\$ per run
Under 18 years	
With less than 65 work days experience as a shed hand	
70% of equivalent adult rate	37.88
With 65 work days or more experience as a shed hand	
70% of equivalent adult rate	39.84
18–20 years	
With less than 65 work days experience as a shed hand	
90% of equivalent adult rate	48.70
With 65 work days or more experience as a shed hand	
90% of equivalent adult rate	51.23

⁽d) If found employee—the rates prescribed above less the amount of \$30.56, which is arrived at by adding the Shearing cook's daily rate to one fifth of the Shearers' ration component.

45.4 Rates for Woolpressers—if not found employee:

(a) Piecework

	\$
By hand—per bale	18.14
By hand—per kilo	0.1190
By power—per bale	12.09
By power—per kilo	0.0793



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These rates are arrived at by using the formula in clause 45.4(b).

(b) Woolpresser's formula

	Piecework	Timework
	\$	\$
Minimum rate	685.91	743.01
Plus 20% piecework allowance—min rate x 20%	137.18	-
Plus 25% casual loading—min rate x 25%	171.48	185.75
Subtotal	994.57	-
Plus shearing industry allowance	217.12	217.12
Plus rations	58.18	58.18
Total per week	1269.87	1204.06
Per run—total divided by 20	-	60.20
By hand—per bale = total divided by 70	18.14	-
By hand—per kilo = by hand per bale rate divided by 152.4	0.1190	-
By power—per bale = by hand per bale rate x $2/3$	12.09	-
By power—per kilo = by power per bale rate divided by 152.4	0.0793	-

- (c) For weighing and branding bales—\$0.40 per bale extra.
- (d) If the total sum which the Woolpresser would receive under the rates amounts to less than \$60.20 per run multiplied by the number of runs that a time work employee would have been paid for, the employer will pay the deficiency to the employee.
- (e) If found employee—the rates prescribed above less the amount of \$30.56, which is arrived at by adding the Shearing cook's daily rate to one fifth of the Shearers' ration component.
- (f) Woolpressers engaged at piecework rates will, for all wool pressed by them, be paid wholly per bale or wholly per kilogram and will for greasy wool per kilogram be paid for an average of 140 kg per bale if the bales pressed average less than that weight.
- (g) The minimum rate to be paid for woolpressing for employees engaged at time work rates will be \$60.20 per run if not found employee. If found employee, rates will be the rate prescribed less \$30.56 per day, which is



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arrived at by adding the Shearing cook's daily rate to one fifth of the Shearers' ration component.

(h) Provided that where a Woolpresser engaged at time work would have earned more at a particular shearing than the minimum calculation (by multiplying the per run rate by the number of runs the Woolpresser would have been paid for) if the Woolpresser had been engaged at piecework rates, then the Woolpresser will be paid at the piecework rate pursuant to clause 45.3(d).

45.5 Rates for Shearing cooks

- (a) The minimum rates to be paid to employees for acting as Shearing cook in connection with shearing or crutching operations will be \$18.92 per day per found employee for every person excepting themselves for whom the employee cooks. But if the total amount which the Shearing cook would receive under this clause for the term of the employment amounts to less than \$246.00 per day per found employee, for the work after paying the necessary offsiders, the employer will pay the deficiency to the employee. A Shearing cook engaged for a half day will be paid 50% of the rate per day per found employee for every person for whom the employee cooks.
- (b) These rates are arrived at by:

Shearing cook's formula	\$
Minimum rate	744.10
Plus 25% casual loading—min rate x 25%	186.03
Plus 20% long hours allowance—min rate x 20%	148.82
Plus 69.58% of shearing industry allowance	151.07
Total	1230.02
Daily rate—total divided by 5	246.00
Per employee per day rate = daily rate divided by 13	18.92

45.6 Woolclassers piecework rates

- (a) For carrying out the duties described in clause $\underline{44.6}$ of this award, a Woolclasser will be paid at the rate of \$343.33 per 1,000 sheep and/or lambs.
- (b) All rams and/or ram stags' wool classed will be paid for at double the above rate.

45.7 Woolclassers guaranteed weekly minimum rates

If the piecework earnings from woolclassing over the whole of the employment fall short of the relevant weekly amount for the same period, the employer will pay the Woolclasser not less than the minimum weekly rate set out below.



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45.8 Woolclassers and Shearing shed experts

(a) Weekly rates

Classification	Rate per week
	\$
Shearing shed expert level 1	1145.66
Shearing shed expert level 2	1272.95
Woolclasser level 1	1272.95
Woolclasser level 2	1373.30
Woolclasser level 3	1438.55

(i) The Woolclasser level 1 minimum weekly rate is arrived at according to the following formula:

	\$
Base	799.25
Plus casual loading of 25% (of base)	199.81
Subtotal	999.06
Plus conditions allowance	113.29
Flus conditions anowance	113.29
Plus enterprise flexibility (including hours) and wet weather	160.60
allowance	100.00
Total	1272.95
	,
Rounded to the nearest five cents	1272.95



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(ii) The Wooklasser level 2 minimum weekly rate is arrived at according to the following formula:

	\$
Base	799.25
Woolrolling and other shed hands work	80.28
Subtotal 1	879.53
Plus casual loading of 25% (of subtotal 1)	219.88
Subtotal 2	1099.41
Plus conditions allowance	113.29
Plus enterprise flexibility (including hours) and wet weather allowance	160.60
Total	1373.30
Rounded to the nearest five cents	1373.30

(iii) The Woolclasser level 3 minimum weekly rate is arrived at according to the following formula:

	\$
Base	799.25
Woolrolling and other shed hands work	80.28
Bookkeeping, overseeing, experting	52.20
Subtotal 1	931.73
Plus casual loading of 25% (of subtotal 1)	232.93
Subtotal 2	1164.66
Plus conditions allowance	113.29
Plus enterprise flexibility (including hours) and wet weather allowance	160.60
Total	1438.55
Rounded to the nearest five cents	1438.55



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(b) Piecework rate

The piecework rate formula is: \$1373.30 (Woolclasser level 2) divided by 4 = \$343.33.

(c) Shearing shed experts

- (i) E1—Expert level 1 (experting only) will be paid at 90% of the Woolclasser level 1 rate. The E1 rate is \$1145.66 per week.
- (ii) E2—Expert level 2 (experting plus any additional duties except woolclassing) will be paid at Woolclasser level 1 rate. The E2 rate is \$1272.95 per week.

(d) For the purpose of this clause:

- (i) employment will be deemed to begin at the time at which the employee is instructed to arrive at the station, but if the employee does not arrive until later, then at the time of arrival;
- (ii) the number of stands to be taken is the maximum number of stands actually occupied by Shearers during the shearing;
- (iii) in calculating the guaranteed amount in respect of employment for part of a week, the employee will be entitled to one fifth of the prescribed weekly rate for each day or part of a day;
- (iv) employment of experts and Wooklassers will be by the day unless a longer period of engagement is agreed. Unless the Wooklasser or expert has been notified the previous day that their attendance is not required for that day, then providing they present themselves as ready, able and willing to work prior to commencement of work then they will be paid for that day at one fifth of the appropriate minimum weekly rate specified in this clause; and
- (v) all employees are entitled to work as expeditionary employees.
- (e) At the commencement of shearing the employer or a representative will appoint a certain day upon which the employer will, in each and every week, if so required, pay to the employee any sum not exceeding 75% of the amount due over and above one week's earnings.



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(f) Woolclassers allowances formula

Allowances payable to Woolclassers under clause $\underline{45.8}$ are calculated in accordance with the following formula:

Allowance	% of standard rate per week
Conditions	602.3
Enterprise flexibility	853.8
Woolrolling	426.8
Bookkeeping	277.5

5. Breaks

The following provisions will apply to all employees other than employees engaged on shearing operations who will be entitled to the breaks prescribed for such work in <u>Part 7—Shearing Operations</u> of this award.

15.1 Meal break

- (a) A meal break of not less than 30 minutes and not more than one hour will be allowed each day, to be taken not later than five hours after commencing ordinary hours of work. Provided that where there is agreement between the employer and an individual employee, the meal break may be taken at a time agreed.
- (b) All work performed on the instruction of the employer during a recognised meal break will be paid for at double time rates. Such payment will continue until the employee is released for a meal break of not less than 30 minutes.

15.2 Rest break

Employees will be allowed a paid rest break of 10 minutes each morning. Where agreement is reached between the employer and employee for an additional rest break, such rest break will be unpaid and in addition to the employee's ordinary hours of work.



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17. Allowances

To view the current monetary amounts of work-related allowances refer to the Allowances Sheet.

17.1 Adjustment of expense-related allowances

- (a) At the time of any adjustment to the <u>standard rate</u>, each expense-related allowance will be increased by the relevant adjustment factor. The relevant adjustment factor for this purpose is the percentage movement in the applicable index figure most recently published by the Australian Bureau of Statistics since the allowance was last adjusted.
- (b) The applicable index figure is the index figure published by the Australian Bureau of Statistics for the Eight Capitals Consumer Price Index (Cat No. 6401.0), as follows:

Allowance	Applicable Consumer Price Index figure
Allowance for combs/cutters	Tools and equipment for house and garden component of the household appliances, utensils and tools subgroup
Meal allowance	Take away and fast foods sub-group
Payment for handpiece	Tools and equipment for house and garden component of the household appliances, utensils and tools subgroup
Rations	Take away and fast foods sub-group
Shearing industry allowance	Eight capital cities weighted average
Special allowance (horse and saddle allowance)	Eight capital cities weighted average
Travelling allowance	Domestic holiday travel and accommodation sub-group
Vehicle allowance	Private motoring sub-group
With keep rate	Eight capital cities weighted average



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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.

(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 \$13.07 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 \$13.07 for each meal not supplied.

17.3 Reimburs ement of expenses

Where an employer authorises an employee to incur expenses in the course of the employee's employment, the expense will be reimbursed by the employer upon provision by the employee of a tax invoice and receipt.



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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 standard rate
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.

(c) Travelling allowance

- (i) Where an employee is required to travel from one place to another for the purpose of work, the time occupied in travelling will be counted as time worked and paid for as such.
- (ii) Time spent by an employee travelling from the employee's home to the principal place of employment and return will not be regarded as time worked.
- (iii) Where an employee is compelled by their duties to spend the night away from home or the property at which the employee is employed (whichever is the employee's normal place of sleeping during employment), the employer will reimburse the employee for the demonstrable cost of suitable accommodation.
- (iv) The provisions of this clause will not apply where the employer provides the employee with suitable accommodation free of charge.

17.5 Protective clothing

- (a) Wet weather clothing and footwear
 - (i) An employee who is required to work in a wet place must be provided with protective clothing and footwear by the employer. If the employee is



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not provided with such clothing and footwear, the employer will reimburse the employee for the reasonable cost of providing such clothing and footwear.

- (ii) Where the clothing and footwear is provided and paid for by the employer, it will remain the property of the employer.
- (iii) 'wet place' is defined in clause 3.1 of this award.

(b) Protective clothing

- (i) Where the employer requires an employee to supply his or her own protective clothing, the employer must reimburse the employee for the cost of supplying such protective clothing.
- (ii) The provisions of this clause do not apply where the protective clothing is paid for by the employer.
- (iii) Any protective clothing that is paid for by the employer remains the property of the employer.

17.6 Charges for accommodation, meat, goods, and services

- (a) Where the employer provides an employee with living premises for the use of a "without keep" employee and the employee's household, the employer may make a charge of an amount agreed between them in writing for the use of the premises and/or power supplied to such premises.
- (b) The employer may charge to an employee:
- the cost of goods or services supplied to the employee at the employee's request and paid for by the employer; and
- the cost of goods purchased by the employer for the employee at the employee's request.
 - (c) Where the employer supplies an employee with meat, the employer may charge the employee an amount mutually agreed upon.
 - (d) Where the employer sells groceries or stores to the employee, the prices charged must not exceed the cost price with carriage added.

46. Special allowances (other than Woolclassers and Shearing shed experts)

46.1 Allowance where sleeping quarters are not provided

Where the employee does not reside during a shearing (or crutching) at the employee's home or usual place of residence and the employee is forced to obtain and pay for sleeping quarters away from the employer's premises



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because the employer is unable to provide sleeping quarters at the premises for the employee, the employer will:

- (a) arrange for sleeping quarters for the employee to be supplied elsewhere at the employer's expense; or
- (b) pay to the employee an allowance of 259.4% of the <u>standard rate</u> per night for each night during the employee's employment that the employee is so forced to obtain and pay for sleeping quarters; and
- (c) where the distance is one kilometre or more walking distance between the employee's sleeping quarters and the shed, provide or pay for the transport of the employee between the sleeping quarters and the shed.
- 46.2 Where the total travel time to and from the sleeping quarters and the shed exceeds one hour per day, an allowance of 85.6% of the <u>standard rate</u> per hour will be payable to the employee for all time in excess of such hour.
- 46.3 Where an employee resides during a shearing (or crutching) at their home or usual place of residence and travels daily to the shed, the following provisions will apply:
 - (a) Travelling allowance—Shearers (or Crutchers) only

Where the distance between the shed and the employee's place of residence exceeds 65 kilometres by the most direct practicable route the employer will pay to the employee a travelling allowance of 77% of the <u>standard rate</u> per day for each day upon which the employee so travels.

(b) Vehicle allowance—all employees

Where an employee, by prior arrangement and agreement with an employer, uses the employee's own motor vehicle to travel to and from the shed the employee will be paid a vehicle allowance of \$0.78 per kilometre for travel by the most direct practicable route between the shed and the employee's normal place of residence.

- 46.4 Clause <u>46.3(a)</u> and <u>46.3(b)</u> of this award will not apply in any case where the employer offers the employee suitable accommodation at the shed and the employee chooses not to use it.
- 46.5 Breakdown of machinery—allowance for delays and termination of agreements
 - (a) Where a Shearer or Crutcher or a piecework Woolpresser is stopped from working through a breakage or failure of machinery, except from any cause over which the employer has no control, and the total period of all such stoppages which occur in any one week exceeds two hours working time, the employer will pay to the employee an allowance at the rate of \$176.76 per day in the case of not found employees and at the rate of \$146.20 per day in the case of found employees, for every day or part of a day beyond two hours of working time in any one week as long as there are sheep fit to shear.

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(b) The not found breakdown rate is calculated as the old breakdown rate multiplied by the new Shearers rate per 100 divided by the old Shearers rate per 100 (less found deduction if found employee).

Superannuation

The employer's current contribution of 9.5% remains unchanged until 1st July next year (2018) when it will increse to 10%.

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