

DRIED FRUITS AUSTRALIA INC.



EFFECTIVE FROM:
1 July 2018

UPDATE ON FRUIT BLOCK EMPLOYEE WAGE RATES FOR DRIED GRAPE GROWERS COVERED BY THE MODERN HORTICULTURE AWARD 2010

Dried Fruits Australia has supplied this update as a service to dried grape growers. While all care has been taken in preparing this information, no liability is accepted for its accuracy.

OFFICIAL MINIMUM WAGE RATES

Minimum wages to apply from 1 July 2018 are:

	<u>Per hour</u>	<u>Per week</u>
1. LEVEL 3 General Hand/Pruner with 2 years' experience	\$20.03	\$761.20
2. LEVEL 2 General Hand	\$19.47	\$739.90
3. LEVEL 1 Fruit Picker (weekly wage)	\$18.93	\$719.20
4. LEVEL 1 Fruit Picker – piecework		
\$719.20 plus 25% casual rate, plus 15% piecework loading	\$26.50	\$1006.88
5. Leading Hand (employee in charge of others) to receive an additional allowance per week of:	% of standard rate/week	
In charge of 2–6 employees	15%	\$110.99
In charge of 7–10 employees	34%	\$251.57
In charge of 11–20 employees	91%	\$673.31
In charge of more than 20 employees	140%	\$1035.86

(Note: the standard rate is the level 2 General Hand \$739.90)

6. Juniors may be paid at a lesser rate. The minimum is the following percentage of the adult rate for the classification employed:

Under 16 years	50%
16 years	60%
17 years	70%
18 years	80%
19 years	90%
20 years	100%

	<u>Per hour</u>
7. Casual rates	
– If based on Award Classification level 3 plus 25%	\$25.05
– If based on Award Classification level 2 plus 25%	\$24.34
– If based on Award Classification level 1 plus 25%	\$23.66

Trellis dried summer pruning and crown picking (Casual)	\$23.66–\$24.34/hour
Suggested drying green rates (Casual)	\$23.66/hour

PIECEWORK RATES (information from Hort Award)

The piecework rate fixed by agreement between the employer and the **employee must enable the average competent employee to earn at least 15% more per hour than the minimum hourly rate prescribed in this award** for the type of employment and the classification level of the employee. The piecework rate agreed is to be paid for all work performed in accordance with the piecework agreement.

Example: Calculating piecework rates

Weekly wage rate level 1: \$719.20
 Plus 25% casual loading: \$179.80 (\$719.20 x 25%)
 Plus 15% piecework loading: \$107.88 (\$719.20 x 15%)
 Total: \$1006.88
 Daily wage rate: \$201.38 (\$1006.88 ÷ 5 days) equivalent to \$26.50/hour

The daily rate is then divided by the bucket or kilogram rate per day that an average competent pieceworker can achieve to determine the piecework rate.

Example: Daily wage rate 2018 (\$201.38) ÷ 200 buckets sultanas/day = \$1.01 per bucket or \$100.69/100 buckets
 If 200 buckets are picked per day, this is higher than the award rate: \$26.58/hr compared to \$23.66/hour

SUGGESTED MINIMUM GRAPE PICKING PIECEWORK RATES EXAMPLES (based on above information)

\$ Rate per 100 containers

	Sultanas/Walthams	Currants	Gordo/Sunmuscat	Carina
Dip tins/shrub tubs	\$100.69	\$201.38	\$129.92	\$134.25
Bryce bucket	\$125.86	\$251.72	\$162.40	\$167.81
SA flat plastic tub	\$110.76	\$221.51	\$142.91	\$147.68

SUGGESTED MINIMUM PRUNING RATES EXAMPLES

Higher rates may be warranted for vigorous vines and/or other more difficult conditions. Suggested minimum rates, based upon retention of 8 to 12 canes using manual equipment supplied by the employer, are:

	<u>per acre</u>	<u>per 100m</u>
SULTANAS — per 100 vines:		
Cutting out	\$43.10	
Pulling out \$27.15, trimming up \$14.79	\$40.51	
Rolling on	\$40.51	
Complete job	\$125.09	
CURRANTS (including T-trellis)	\$347.53	\$29.05
WALTHAM CROSS	\$395.75	\$32.81
GORDOS	\$388.24	\$32.02

TAXATION OF FRUIT BLOCK EMPLOYEES (information should be used as a guide only)

TAX FILE NUMBER NOT YET AVAILABLE (information sourced from ATO)

If an employee states at question 1 of the *Tax file number declaration* they have lodged a Tax file number – application or enquiry for individuals with us, they have 28 days to provide you with their TFN.

If the employee has not given you their TFN within 28 days, you must withhold 47% from any payment you make to a resident employee and 45% from a foreign resident employee (ignoring any cents) unless we tell you not to.

If an employee does not give you a valid *Tax file number declaration* within 14 days of starting an employer/employee relationship, you must complete a *Tax file number declaration* with all available details of the employee and send it to us.

WORKING HOLIDAY MAKER – TAX RATES (information sourced from ATO)

Any employer can hire a working holiday maker, especially when they need labour for a short period. You can identify a working holiday maker as they will hold a Working Holiday visa (subclass 417) or Work and Holiday visa (subclass 462).

Working holiday makers are taxed at 15% from the first dollar earned, regardless of their residency status. Working holiday makers can't claim the tax-free threshold and must provide their tax file number (TFN). If they don't, you need to withhold tax at the top rate (see Individual income tax rates).

Working holiday makers are entitled to superannuation, if they are eligible.

You should not employ, or pay someone for work, if they don't have permission to work in Australia.

For detailed taxation information for working holiday makers please refer to

<https://www.ato.gov.au/business/your-workers/in-detail/employers-of-working-holiday-makers/>

PERMANENT EMPLOYEES

For regular employees who are not just employed on a seasonal basis, the PAYG Withholding Tax Tables should be used. These schedules and "Tax File Number" declarations, are available from

<https://www.ato.gov.au/Rates/Tax-tables/>

CONTRACTORS

The ATO provides information to understand the differences between employees and contractors

<https://www.ato.gov.au/Business/Employee-or-contractor/Difference-between-employees-and-contractors/>

Growers can enter into contracts with contractors who can harvest or prune the vines at an agreed rate other than by the usual measurement of determining wages. For example, harvesting for an agreed cost per acre or tonne is acceptable. The contractor must be responsible for his own employees and take tax instalments from their wages.

Where there are genuine contracts, the grower does not have to make PAYG Withholding Tax deductions from payments made to contractor, unless the contractor does not provide an Australian Business Number (ABN).

- Note:
- i) Where the contractor performs most of the work under the contract himself, then he is regarded as an employee and PAYG Withholding Tax deductions must be deducted from payments made.
 - ii) Where the contractor is paid by the normal method of payment of wages to block employees, eg. on an hourly award rate or at a rate per bucket, then PAYG Withholding Tax deductions must be deducted.

PAYMENTS TO PICKING TEAMS OR SYNDICATES

Payments to the team leader, manager or foreman are treated as a payment of wages to an individual employee and therefore PAYG Withholding Tax deductions are required. This arrangement is not classed as contracting and growers are advised to have individual pickers complete "Tax File Number" declarations and pay each one separately.

SUPERANNUATION GUARANTEE

Superannuation must be paid for all employees including casuals, except where the employee:

- earns less than a gross wage of \$450 per calendar month;
- is under 18 years of age and does not work more than 30 hours per week or
- is paid under a contract of employment to do work of a domestic or private nature for not more than 30 hours per week eg. part time nanny or housekeeper.

The minimum rate of superannuation is 9.5% of the ordinary time earnings.

SuperStream is the way businesses must pay employee superannuation guarantee contributions to super funds. With SuperStream money and data are sent electronically in a standard format.

It must be used by:

- employers
- self-managed super funds
- APRA-regulated funds.

SuperStream transmits money and information consistently across the super system – between employers, funds, service providers and the ATO. The data is linked to the payment by a unique payment reference number.

This means:

- Employers can make all their contributions in a single transaction, even if they're going to multiple super funds
- Contributions and rollovers can be processed faster, more efficiently and with fewer errors
- People can be more reliably linked to their super, reducing lost accounts and unclaimed monies.

<https://www.ato.gov.au/super/superstream/employers/employer-checklist--a-step-by-step-guide/>

COMPULSORY WORKERS COMPENSATION

Workers compensation insurance (workcover) is compulsory.

Victoria

Workcare registration is compulsory where the employer's annual payroll exceeds \$7,500, where an apprentice is employed, or an employee lodges a claim. Registration forms are available from Post Offices. For further information Freecall 1800 136 089.

NSW

Workers Compensation Insurance is compulsory for every employer where the employer's annual payroll exceeds \$7,500, where an apprentice is employed, or an employee lodges a claim.. First contact should be with one of the thirteen approved insurers. For further information call 131 050.

SA

All employers must register with WorkCoverSA within 14 days of employing workers, unless you are exempted. From 1 July 2014 if you pay your workers less than \$12,031* in the 2014-2015 financial year, you are exempted and are therefore not required to register and pay a premium unless a claim is lodged by one of your workers. If you cross the \$12,031* threshold, you must register within 14 days.

NOTIFICATION OF WORK RELATED INJURIES

Any injury to a worker likely to lead to a workcover claim should be reported to the grower's workcover insurer. For further information:

Worksafe Victoria: 1800 136 089 SafeWork NS.W.13 10 50 Safework S.A.:13 18 55

Death or serious injuries should be reported. The definition of 'serious injury' varies between states but broadly includes loss of arm, hand, thumb, finger, leg, foot or toe; total or partial loss of sight or hearing; electric shock; or an injury caused by an explosion, fire, or exposure to liquid, gas, vapour, dust or fumes.

Worksafe Victoria 24 hour: 13 23 60

Worksafe Victoria Mildura Office: (03) 50214001

Safework NSW 24 hour: 13 10 50

Safework South Australia 24 hour: 1800 777 209

Schedule B—Classification Structure and Definitions

[Varied by [PR988417](#)]

B.1 Level 1

B.1.1 Level 1 employee means an employee classified in accordance with the following criteria:

B.1.2 General description

An employee at this level:

- undertakes induction training which may include information on the enterprise, conditions of employment, introduction to supervisors and fellow workers, training and career opportunities, plant layout, work and documentation procedures, occupational health and safety, equal employment opportunity and quality control/assurance;
- performs routine duties essentially of a manual nature and to the level of their training;
- exercises minimal judgment;
- works under direct supervision;
- is responsible for the quality of their own work;
- is a new employee; or is an existing employee performing work within this grade who is undertaking training so as to enable advancement to Level 2.

B.1.3 Indicative duties

Indicative of the duties an employee may perform at this level are:

- performing general labouring duties;
- fruit or vegetable picking, thinning or pruning;
- operating small towing tractor engaged in transfer of produce bins and other containers during harvest;
- performing a range of housekeeping tasks in premises and grounds;
- sorting, packing or grading of produce where this requires the exercise of only minimal judgment;
- performing basic recording functions related to work performed at this level;
- providing assistance within the scope of this level to other employees as required;
- undertaking structured training so as to enable advancement to Level 2.

B.2 Level 2 employee

B.2.1 Level 2 employee means an employee classified in accordance with the following criteria:

B.2.2

General description

An employee at this level:

- has completed up to three months structured training so as to enable the performance of work within the scope of this level;
- works under general supervision either individually or in a team environment;
- works with established routines, methods and procedures;
- performs a range of tasks involving the use of skills above and beyond those of Level 1 and to the level of their training;
- exercises limited discretion;
- is responsible for the quality of their own work;
- receives training in occupational health and safety standards and practices relevant to the site;
- performs lower level tasks as required without loss of pay unless re-engaged to perform - tasks at predominantly a lower skill level.

B.2.3

Indicative duties

Indicative of the duties an employee may perform at this level are:

- performing a range of tasks involving the set up and operation of production and/or packaging or picking equipment, labelling and/or consumer picking equipment;
- repetition work on automatic, semi-automatic or single purpose machines or equipment;
- assembling/dismantling components using basic written, spoken and/or diagrammatic instructions in an assembly environment;
- irrigation, spraying or pruning under general supervision;
- sorting, packing and grading beyond the scope of Level 1 duties;
- maintaining simple records;
- using hand trolleys, pallet trucks or other mechanical or power driven lifting or handling devices not requiring a licence;
- operating tractors with engine capacity of up to 70 kW;
- general and routine product testing;
- providing assistance within the scope of this level to other employees as required;
- assisting in the provision of on-the-job training in conjunction with supervisors, tradespersons or trainers;
- undertaking further training so as to enable advancement to Level 3.

B.3

Level 3 employee

B.3.1

Level 3 employee means an employee classified in accordance with the following criteria:

B.3.2

General description

An employee at this level:

- performs work above and beyond the skills of an employee at Level 2 and to the level of their training;
- works under routine supervision either individually or in a team environment;
- exercises discretion with their level of skills and training;
- is responsible for the quality of their own work;
- receives training in occupational health and safety standards and practices in work areas relevant to the site and appropriate to this award;
- may perform any lower level task as required without loss of pay.

B.3.3**Indicative duties****Indicative of the duties an employee may perform at this level are:**

- driving motor lorries or mechanical harvesters or forklifts;
- operating tractors with engine capacity of over 70 kW;
- minor maintenance of plant;
- irrigation, spraying, pruning without supervision;
- assisting in the training, instruction and coordination of employees;
- recording detailed information on production and quality indicators;
- providing assistance within the scope of this level to other employees;
- undertaking further training so as to enable advancement to Level 4.

B.4**Level 4 employee**

B.4.1 **Level 4 employee** means an employee classified in accordance with the following criteria:

B.4.2 **General description****An employee at this level:**

- performs work above and beyond the skills of an employee at Level 3 and to the level of their training;
- coordinates work in a team environment or works individually under general supervision;
- exercises discretion with their level of skills and training;
- is responsible for the quality of their own work;
- has knowledge of the employer's operation as it relates to the production process;
- monitors the application of occupational health and safety standards in work areas relevant to the site and appropriate to this level;
- may perform any lower level task as required without loss of pay.

B.4.3**Indicative duties****Indicative of the duties an employee may perform at this level are:**

- using precision measuring instruments;
- machine setting, loading and operation;
- inventory and store control;
- licensed operation of all appropriate materials handling equipment;
- basic engineering and fault handling;
- basic non-trades maintenance involving the use of tools and equipment within the scope of this award;
- licensed and certified to operate forklifts, engine driving and crane driving operation;
- furnace/boiler operator;
- performing quality checks on the work of others;
- quality assurance/control;
- assisting in provision of on-the-job training;
- monitoring variables affecting production yields, detecting errors, investigating causes and recommending collective/preventative action;
- providing assistance within the scope of this level to other employees;
- undertaking further training so as to enable advancement to Level 5.

B.5**Level 5 employee****B.5.1**

Level 5 employee means an employee classified in accordance with the following criteria:

B.5.2**General description****An employee at this level:**

- works above and beyond the skills of an employee at Level 4 and to the level of their training;
- performs work under minimal supervision either individually or in a team environment;
- coordinates and schedules approved work in a team environment;
- exercises good interpersonal communication skills;
- exercises discretion within the scope of this grade;
- possesses and uses a trade qualification in the course of their duties;
- has a sound knowledge of the employer's operation as it relates to the production process;
- undertakes lower level tasks as required without loss of pay.

B.5.3**Indicative duties****Indicative of the duties an employee may perform at this level are:**

- inspecting products and/or materials for conformity with established operational standards and approves/passes first off samples;
- operating, setting up and adjusting maintenance functions including (but not limited to):
 - removing equipment fastenings including use of destructive cutting equipment;
 - running adjustments to production equipment;
- operating all lifting equipment;
- basic production scheduling and materials handling within the scope of production process or directly related functions;
- exercising high level stores and inventory responsibilities;
- providing on-the-job training;
- providing assistance within the scope of this level to other employees.