



Wageline Newsletter

July 2017 Edition

This edition of the Wageline Newsletter features information about the increase in the WA award and minimum pay rates and the increase in the location allowance effective from 1 July 2017.

Wageline Newsletter is an email service which provides updates on:

- increase to state minimum wage and WA award rates of pay
- other changes to key WA awards
- critical issues employers need to know to comply with state employment laws

You can subscribe to the Wageline Newsletter on the [Wageline Newsletter](#) page.

Wageline Newsletter provides information for employers in the state industrial relations system. It is relevant to businesses which operate as:

- sole traders (eg Jane Smith trading as Jane's Café)
- unincorporated partnership (eg Jane and Bob Smith trading as Jane's Café)
- unincorporated trust arrangements (Jane and Bob Smith as trustees for Jane's Café).

Wageline Newsletter is not relevant for businesses and organisations in the national industrial relations system which operates as:

- Pty Ltd businesses that are trading or financial corporations (eg Smith Pty Ltd trading as Jane's Café)
- incorporated associations and other not-for-profit bodies (that are trading or financial corporations)

If your business or organisation is a national system employer please visit the [Fair Work Ombudsman](#) website for information on employment obligations.

How can we help?

- Pay rates
- Leave entitlements
- Long service leave
- Employment arrangements
- Record keeping obligations

WA award and minimum pay rates have increase from 1 July 2017

The state minimum wage for award free employees and all pay rates in WA awards have increased effective from the first pay period on or after 1 July 2017.

In June the Western Australian Industrial Relations Commission awarded a \$16 per week increase in the state minimum wage for adult award free employees, lifting it to \$708.90 per week from 1 July 2017. WA Award rates of pay below \$791.90 per week (equivalent to the C10 classification) were also increased by \$16, while award rates of pay equal to or higher than \$791.90 per week were increased by 2.3 per cent. Junior rates and rates for apprentices and trainees were also increased proportionately.

The updated [minimum pay rates for award-free employees](#) and updated Wageline [WA award summaries](#) are now available on the Wageline website.

If you are covered by a WA award that does not have a Wageline summary, check the new rates in the award on the [WA Industrial Relations Commission website](#) or contact Wageline on 1300 655 266.

This year, Wageline's WA Award summaries have a new look, and have been expanded to include more information on employers' record keeping obligations, long service leave when a business changes ownership and public holidays. Links to Wageline's resources to assist retail and hospitality employers comply with WA's law on employment of children have also been included in relevant awards.

A new publication, [Award free employees minimum pay rates and entitlements summary](#), has been created to provide key information for employers and employees to whom a WA award does not apply.

This pay rate increase applies to only employers and employees in the state industrial relations system. It covers businesses which operate as:

- sole traders (eg Jane Smith trading as Jane's Café)
- unincorporated partnerships (eg Jane and Bob Smith trading as Jane's Café)
- unincorporated trust arrangements (eg Jane and Bob smith as trustees for Jane's Café)

If the business or organisation is in the national system visit the [Fair Work Ombudsman](#) website for information on pay rate increases from 1 July 2017.

Long service leave payments can be a hidden cost when buying a business

Small business owners and their business advisors need to be aware that when someone purchases a business or part of a business in Western Australia, in most circumstances the new owner will take on the long service leave obligations for existing employees, for the whole period of their employment. This applies regardless of anything written in the sale contract.

In 2016 a small manufacturing business owner in Perth learnt this the hard way when required to pay more than \$9000 in long service leave entitlements – some of which was for time the employees worked for a former owner of the business.

The business had been sold in 2008 and the buyer employed two existing employees. When the employees left the business years later both were eligible for long service leave based on time work for the business, rather than time worked for the new employer. The Industrial Magistrates Court ordered the business owner to pay the two employees more than \$9,000 in long service leave entitlement, in accordance with the state *Long Service Leave Act*.

Under the *Long Service Leave Act* the length of employment for an employee's long service leave entitlements is based on the total time with the business, rather than any one specific employer.

At the time of the purchase of the business in 2008, the business owner was not aware he was taking on the long service leave obligations for the staff and this genuine mistake was a costly one. This cost could have been avoided if money had been put in trust for potential long service leave entitlements for employees, which is a common arrangement when a business is bought or sold.

Anyone involved in buying a business should check the obligations under the *Long Service Leave Act*.

Wageline answers hundreds of calls a week about long service leave. The [Wageline website](#) has extensive information on long service leave, as well as a guide to calculating entitlements and a record keeping template. Call Wageline on 1300 655 266.



Wageline becomes part of the Department of Mines, Industry Regulation and Safety

On 1 July, the Departments of Commerce and Mines and Petroleum combined to form the new Department of Mines, Industry Regulation and Safety.

Wageline is now part of this new Department. All of Wageline's information is available in the private sector employers and employees section at www.dmirs.wa.gov.au/labour-relations and our email address will be wageline@dmirs.wa.gov.au. Please be aware some of Wageline's resources still refer to the Department of Commerce and these will be updated in the coming weeks.

Increase in location allowance from 1 July 2017

Many WA awards require employers to pay an employee working in certain regional towns a location allowance to compensate for the additional cost of living, climatic discomfort, and isolation in these towns. The location allowance is varied in accordance with the Consumer Price Index for the cost of living, excluding housing.

The location allowance payable for each town will increase from the first pay period on or after 1 July 2017. Schedules of the new rates and affected WA awards are available on the [Location Allowance for employees in regional areas page](#) of the Wageline website.

Record keeping

In the last few months Wageline has been conducting a proactive campaign highlighting employers' obligations to keep employment records. The response to this campaign has been very positive with employers contacting Wageline for extra information and downloading our [record keeping templates](#) which assist small business meet their legal obligations.

Keeping employment records is a key business requirement that many small business employers get wrong. All state system employers are legally required to keep employment records that detail time worked, leave taken and pay received by employees.

Small business employers can be fined up to \$5,000 by the Industrial Magistrates Court for not keeping employment records or for keeping inadequate or fraudulent records.

Industrial inspectors have statutory powers to investigate complaints from employees and employers are obliged to provide records when required to do so. Employers can be fined for not providing employment records to the Department's Industrial Inspectors. In a recent case, a Perth doctor was ordered by the Industrial Magistrates court to pay a penalty of \$4000 plus disbursements for obstructing an investigation by the Department into whether he correctly paid one of his workers.

2019 Public holiday dates released

The [Public Holidays in Western Australia page](#) on the Wageline website has been updated to include public holiday dates for 2019.

Common questions to Wageline

What are the requirements for meal breaks?

Most WA awards outline requirements for meal breaks, for example, when and how they may be taken, the duration of the break, and what pay rates apply if a meal break is delayed to suit the requirements of the workplace.

Employers covered by a WA award for which there is a [Wageline Award Summary](#) can check the meal break provisions in the relevant Award Summary. If you are covered by a WA award that does not have a Wageline summary, check the meal break provisions in the award on the [WA Industrial Relations Commission website](#) or contact Wageline on 1300 655 266.

If the employee is covered by a WA award, it is compulsory for the employer to keep employment records that detail all meal breaks taken. Details on record keeping obligations for WA award employers are on the [Record keeping requirements page](#) of the Wageline website.

Do casuals get long service leave?

Yes, under the *Long Service Leave Act*, full time, part time and casual employees are all entitled to long service leave. The state long service leave obligations in the *Long Service Leave Act* apply to most WA businesses, including businesses covered by national modern awards.

The long service leave entitlement under the Act for all employees is:

- After 10 years of continuous employment working in the same business - $8^{2/3}$ weeks paid leave.
- For every 5 years of continuous employment working in the same business after the initial 10 years - $4^{1/3}$ weeks paid leave.

To calculate the long service leave entitlement for a casual employee, the hours the employee has worked per week are averaged for the period of employment during which the long service leave accrued. Visit the [Long service leave page](#) on the Wageline website for more information.
