

# 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](http://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](http://www.thepeopleindairy.org.au/LiteratureRetrieve.aspx?ID=72476)

### Further Reading

**National Training Wage Schedule**  
[www.thepeopleindairy.org.au/LiteratureRetrieve.aspx?ID=127018](http://www.thepeopleindairy.org.au/LiteratureRetrieve.aspx?ID=127018)

**National Employment Standards**  
[www.thepeopleindairy.org.au/engagement-reward/national-employment-standards.htm](http://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](http://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](http://www.thepeopleindairy.org.au/engagement-reward/pay-rates.htm)

**Record keeping**  
[www.thepeopleindairy.org.au/engagement-reward/record-keeping.htm](http://www.thepeopleindairy.org.au/engagement-reward/record-keeping.htm)

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## Classifications

Pastoral Award 2010 classification	Job category	Indicative Training level
<p><b>Farm and livestock hand level 1 (FLH1)</b> Dairy operator grade 1A with less than 12 months' experience in the industry who:</p> <ul style="list-style-type: none"> <li>uses their knowledge and skills to perform set procedures such as milking and attending to livestock, haymaking, fencing.</li> </ul>	<p><b>Assistant Farm Hand</b> (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><b>Farm and livestock hand level 3 (FLH3)</b> Dairy operator grade 1B with 12 months' experience in the industry who:</p> <ul style="list-style-type: none"> <li>uses their knowledge and skills to perform set procedures such as milking and attending to livestock, haymaking, fencing.</li> </ul>	<p><b>Farm Hand</b> (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><b>Farm and livestock hand level 5 (FLH5)</b> An employee at this level includes: Dairy operator grade 2 who:</p> <ul style="list-style-type: none"> <li>has two years experience in the industry;</li> <li>uses their knowledge and skills to multiple operations involving basic levels of problem solving and decision making; and</li> <li>has an appreciation of the overall processes involved in a dairy farm.</li> </ul>	<p><b>Senior farm hand</b></p> <p>This category is for skilled people working either independently or as part of a team.</p>	Certificate IV
<p><b>Farm and livestock hand level 7 (FLH7)</b> An employee at this level includes: Senior dairy operator grade 1 who:</p> <ul style="list-style-type: none"> <li>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.</li> </ul>	<p><b>Production Manager</b> (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><b>Farm and livestock hand level 8 (FLH8)</b> An employee at this level includes: Senior dairy operator grade 2 who:</p> <ul style="list-style-type: none"> <li>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.</li> </ul>	<p><b>Senior Production Manager (farm supervisor)</b> (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&amp;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><b>Award-free business manager</b></p>	<p><b>Business Manager</b> (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