

Best Practice Guide

Payment of wages | WA System



This guide is intended to assist Western Australian small business employers in the **Western Australian industrial relations system** in complying with their wage obligations to their employees. If your business is covered by the National Industrial Relations system, visit www.wageright.com.au for more information.

Is my business covered by the National industrial relations system or the Western Australian industrial relations system?

Most private sector employers in Australia are covered by the National or 'Fair Work' industrial relations system, including all 'Pty Ltd' companies.

Sole traders, unincorporated partnerships, unincorporated trust arrangements and incorporated associations that are not trading or financial corporations are covered by Western Australia's industrial relations system.

- National System (**do not use this guide** - visit [here](#) for more information)
- Western Australian System

Does an award or industrial agreement apply to any of my employees?

Awards and industrial agreements set out relevant pay rates and conditions for many employees in the Western Australian system. Where neither an award or industrial agreement applies, an employee will be award/agreement free.

- Award
- Industrial agreement
- Award/agreement free

If you are unsure whether an award or industrial agreement applies you should obtain professional advice.

Awards and industrial agreements

Where do I find the base rates of pay for each of my employees (excluding any penalty rates)?

Each employee's minimum rate of pay depends on their classification level, and is outlined in a "wages" or equivalent clause. Employers should note that some awards and agreements provide for lower rates of pay for certain employees such as apprentices, trainees or juniors.

What are the different penalty rates and loadings under my award or industrial agreement?

In addition to a minimum wage in an award or industrial agreement, an employee may be entitled to weekend and public holiday penalty rates, overtime rates, shift allowances or casual loadings. Sometimes these payments are different for full time, part time, casual or shift work employees. Some examples of these entitlements are listed below but you will need to check the award or agreement that applies:

- Saturday rates
- Sunday rates
- Public holiday rates
- Overtime rates
- Afternoon and shift allowances
- Split shift allowances
- Penalty rates for working through a meal break or on a rostered day off

WA award summaries, including information on applicable penalty rates, overtime rates, shift allowances and casual loadings, can be found on Wageline's [website](#).

Where do I find the allowances in my award or industrial agreement?

Some awards and industrial agreements require employees to be paid an allowance in certain situations. Examples of common allowances are a laundry allowance when an employee is required to wash their uniform, and a meal allowance when an employee works a certain amount of overtime.





Award/agreement free

What is the current minimum hourly rate of pay for my award/agreement free employees?

Where neither an award nor industrial agreement applies to an employee, the employee is entitled to a minimum rate of pay under the [Minimum Conditions of Employment Act 1993 \(WA\)](#) that is set by the annual State Wage Order. This is only the minimum, award/agreement free employees can be paid above the minimum wage in accordance with an employment contract.

⚠ Tips

Employment contracts

Employment contracts provide additional terms and conditions but cannot be anything less than the award or industrial agreement that applies to an employee, or the minimum wage.



Hours of work

- Casual employees do not have any guaranteed number of hours per week, and you should never promise a casual employee that they will receive a certain number of hours each week. However, casual employees commonly have minimum daily engagements specified in awards or industrial agreements that will need to be complied with.
- Full-time employees usually work 38 hours per week.
- Employers should carefully check their award or industrial agreement to ensure they are aware of the different ways an employee may become entitled to overtime rates. Quite often overtime rates will be applicable if an employee works in excess of a daily and/or weekly maximum amount of hours. Overtime may also be applicable for work performed at certain times of day or days of the week.
- For award/agreement free employees, while they do not need to be paid overtime rates, they may only be required to work more than 38 hours if the request is reasonable. It should be noted that such employees are entitled to the minimum rate of pay for all hours worked in excess of 38 hours.

Disclaimer

The information contained within this best-practice guide is of a general nature and is not intended to be a comprehensive summary of the law and should not be relied upon as legal advice.

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Where can I find further help?

The [Wageline service](#) can assist you with questions you have concerning employee pay, applicable pay rates, employee hours of work and leave entitlements.

For more information, visit www.wageright.com.au.

