



PART TIME VS CASUAL WORKERS

FREQUENTLY ASKED QUESTIONS

As of June 2021: advice and information regarding casual employees is being updated – visit thepeopleindairy.org.au for the latest updates

What is the difference between part time and casual workers?

Employees may be engaged as permanent full-time, permanent part-time, casual or seasonal employees. It is important to understand the difference between these different categories as the various entitlements and responsibilities are different for each category.

Failure to categorise the employee correctly and therefore to adhere to legal and award requirements can lead to misunderstandings and possibly legal action for underpayment of entitlements and prosecution for breach of the award.

What is the definition of a part-time employee?

Part-time employees are employed for fixed hours every week and have the same entitlements as full-time employees calculated on a pro-rata basis depending on the number of hours worked. Part-time employees are also entitled to notice of termination and to redundancy pay. If public holidays fall on days usually worked, the employee is entitled to payment for that holiday. See over the page for overtime rates.

What is the definition of a casual employee?

Casual employees are employees who have been offered employment on the basis that there is no firm commitment to continuing and indefinite work according to an agreed pattern of work. A typical casual employee is employed on a daily basis when the need arises.

Casual employees are paid a loading to compensate them for lack of entitlements such as annual leave, personal leave and the lack of continuity of work. Casual employees are not entitled to notice of termination or redundancy. If casual employees are rostered to work on public holidays, they are entitled to payment for that holiday.

TEMPLATES AND TOOLS

Download the Flat Rate calculator to work out the hourly flat rate that takes into account overtime and penalty rates. Visit thepeopleindairy.org.au/employment-rewards/pay-rates-2020

FURTHER READING

National Employment Standards at thepeopleindairy.org.au/employment-rewards/national-employment-standards

Individual Flexibility Agreements at thepeopleindairy.com.au/eski/ifa

Pay rates, Working out a package and the Pastoral Award 2020 are available at thepeopleindairy.org.au/engagementreward/pay-rates

Record keeping
thepeopleindairy.org.au/engagement-reward/record-keeping

What is the loading for casual workers?

Under the [Pastoral Award 2020](#) – 25%. For WA state employers – 20%.

What is casual conversion?

The Pastoral Award 2020 provides for conversion of casual employment to permanent employment. For further information visit fairwork.gov.au/ArticleDocuments/724/casual-employment-information-statement.pdf.aspx

Employers should note that they are required to provide a copy of this document to all casual employees before or as soon as possible after they start work.

Do I have to pay a minimum of 3 hours each shift or 3 hours in total for the day?

For part-time employees the award specifies that the employer must roster the employee for a minimum of 3 hours on any shift.

For casual employees, the award specifies that on each occasion the casual attends for work they are entitled to a minimum payment of 3 hours' work. This means that if the employee is doing two milkings per day each milking must be paid at a minimum of 3 hours. You can't add them together to make up the 3-hour minimum.

The minimum engagement period for full time secondary school students aged 18 years or younger is 2 hours.

Do I have to pay casuals and part timers overtime and penalty rates for work on weekends and public holidays?

Under the [Pastoral Award 2020](#) ordinary hours are 152 hours worked over a four-week period. All hours worked over the 152 hours are paid at overtime rates. Ordinary hours for casuals are the same as for full-time employees.

Once the 152 hours have been worked, overtime is at the rate of time and a half for all hours worked, with double time being paid for any work done on Sundays. Feeding and watering stock on Sundays is paid at the rate of time and one half. Milking is not regarded as 'feeding and watering stock'.

Overtime for casual employees is calculated the same way as for permanent employees. That is, overtime is not payable until 152 hours have been worked in a 4-week period regardless of the day the work is performed.

For more information, refer to the Overtime and Ordinary Hours fact sheet in your ESKi folder (Payroll section).

Part-time employees must be paid overtime rates for all work performed in excess of the agreed part-time hours.

All public holidays are paid at double time. State employers in WA do not pay penalty rates for overtime as they are award free.

EMPLOYEES WHO WORK SIMILAR HOURS EACH WEEK

Employees who work similar hours each week, which are known in advance, should be hired as permanent employees, either full time or part time and paid their various entitlements.

Read more about employees at thepeopleindairy.org.au/employment-rewards/employees

WHAT IS THE PASTORAL AWARD 2020?

An award is an enforceable document containing minimum terms and conditions of employment in addition to any legislated minimum terms.

The Fair Work Commission has responsibility for making and varying awards in the national workplace relations system.

As of 1 January 2010, the only federal award which applies to the dairy industry is federal Pastoral Award 2020 (which is in the back of the ESKi folder).

Read more about the [Pastoral Award](https://thepeopleindairy.org.au/employment-rewards/pastoral-award-2020) at thepeopleindairy.org.au/employment-rewards/pastoral-award-2020

Do I have to pay overtime if I pay a flat hourly rate?

In some circumstances it may be more straightforward to work out a package for employees, which includes a flat hourly 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 or an annualised salary.

Individual Flexibility Agreements and enterprise agreements must pass the Better Off Overall Test (BOOT) to ensure that the employee is better off overall compared with the award.

You may also consider payment of an annualised salary which allows you to pay the same amount each week provided certain conditions are met and the agreement passes the **No Disadvantage Test** which ensures that the employee is not financially disadvantaged when compared to the award.

The flat rate calculator will help you to work out an hourly flat rate that takes into account overtime and penalty rates.