



# Horticultural Piece Rates

## Factsheet

We have worked with several businesses in the horticultural industry who have concerns such as:

- **How can I understand piece rates?**
- **What do I need to do to pay piece rates?**
- **What are my record keeping obligations as an employer under the Horticultural Award?**

In this factsheet, we answer these questions and outline how employers can manage paying their employees accurately.

### Understanding Piece Rates

Under the Horticulture Award 2020 (the Award), employees who are pieceworkers can be paid a piece rate - a set payment for completing a task (such as picking a piece of fruit), instead of receiving an hourly or weekly rate of pay.

When paying piece rates, the wages owed to an employee depend on the amount of work completed rather than hours worked. An employee paid a piece rate is considered a **pieceworker**. Piece rates can be paid to full-time, part-time, and casual employees. When calculating the piece rate for a casual employee, casual loading will be included in the calculation.

A pieceworker must be paid for each day on which they work no less than their hourly rate under the award multiplied by the number of hours worked on that day. If a pieceworker does any work in addition to the task for which they are being paid a piece rate, they must be paid for that work at the relevant award hourly rate.

When an employee is engaged on a piece rate, the following Award provisions **do not** apply:

- ✗ Ordinary hours of work
- ✗ Rostering requirements
- ✗ Meal allowance, and
- ✗ Overtime

However, the employer **must fix the piece rate** at a level such that a pieceworker working at the average productivity of a pieceworker competent at the piecework task will earn at least 15% more per hour than the hourly rate for the pieceworker.

## Things to Know When Paying Piece Rates



Employers should ensure that the piece rate currently paid to their employees is sufficient to meet the Award



Employers should ensure that pieceworkers are paid an amount that is at least their hourly rate multiplied by the number of hours worked that day for their classification.

## Record Keeping Obligations

Employers are required to give all pieceworkers a written piecework record before they start work. The piecework record can cover more than one piecework task, e.g., when engaged to pick different types of fruit.

A piecework record must be signed by the employer and include:

- ✓ When (date and time) the piecework is to start
- ✓ A description of the task or tasks for which piece rates will be paid
- ✓ The amount of the piece rate
- ✓ The piecework record must include the following statement:

*Under the Horticulture Award 2020, a pieceworker must be paid for each day on which they work, no less than their hourly rate under the award (including the 25% casual loading for a casual pieceworker) multiplied by the number of hours worked on that day*

If an employer wants to change the piece rate for a piecework task, they must give the pieceworker a new record. This new record must include the new piece rate. Employers must give pieceworkers (or former pieceworkers) a copy of the employee record of the hours they worked and the applicable piece rates upon request. Employees can use their piecework records from a former employer to prove their competency to a new employer.

## What do our clients say?

*The team at Employsure offer excellent customer service. They are easy to talk to and go through and explain everything well, I feel well supported as a business owner.*

Team at Wrenco Produce

## Employsure can help

You can prepare your business by calling Employsure for advice and support on **1300 207 182**. Call our 24/7 FREE advice line for further questions or information.