

Changes to Queensland Pay-roll Tax

Effective from 1 July 2008, Queensland's payroll tax system will be harmonized with other states. The changes implemented will align Queensland with the changes put in place on 1 July 2007 in New South Wales and Victoria.

A major change due to harmonisation is changes to include the labor component of certain sub-contractors; Effective from 1 July 2008, payments to certain contractors will be taxable. These payments will be taxable in circumstances where the contractor provides essentially labour services to a small number of principals in a financial year (i.e. if you are using A.B.N contractors to primarily provide services an employee could provide than it's likely there will be a liability for pay roll tax). The concept is similar to WorkCover and Superannuation, where the definition of 'worker' captures contracts for services that are principally for provision of the labour. This may have cost impact for construction and contracting companies. Further information is available from the following website: <http://www.osr.qld.gov.au/taxes/harmonisation/affect/contracts.shtml> or alternatively contact the Draytons Office on (07) 3831 7099.

The following are other changes provided by the harmonisation measures:

- inclusion of termination payments to non-employee directors;
- inclusion of superannuation payments to non-employee directors;
- new exemption for paid parental and adoption leave;
- an increase to the motor vehicle allowance exemption rate;
- an increase to the accommodation allowance exemption rate;
- change to using the type 2 gross-up factor for valuing fringe benefits.

The payroll tax exemption thresholds will not be changing as a result of the harmonisation measures. Queensland will remain at a rate of 4.75% and an exemption threshold of \$1,000,000 annual payroll .

Wage Growth

The December 2007 quarter wage trends for collective agreements have been released. It can be seen from these figures that wage growth continues at approximately 4% per annum.

Growth in construction industry rates continues to outpace the other industries, still averaging growth of 4.8% per year throughout Australia.

Average Annualised Wage Increases

	Sep. quarter 2007	Dec. quarter 2007
All current wage agreements		
All sectors	4.0%	4.0%
Private sector	3.8%	3.8%
Public sector	4.3%	4.3%

No-Disadvantage Test

The Workplace Authority has released a policy guide on the No-Disadvantage Test (NDT). The following salient points need to be noted;

- The NDT will apply to all new workplace agreements made after 28/03/08 and pre-existing agreements that may be varied after 28/03/08
- The agreements will be tested to ensure 'on balance' that the employees terms and conditions are not reduced compared to a award that would normally apply.
- The agreement will fail the NDT if only one employee is disadvantaged
- Bonuses and incentives payments will not be considered for the NDT if the relevant award does not contain 'at risk' payments
- Benefits such as use of vehicles, mobile phones and car parking can be considered in certain circumstances as a benefit in the NDT
- Employees preferred hours that fall outside the ordinary hours and not attracting a penalty can be allowed in certain circumstances

Please call the office for further information

Superannuation Reminders

Ordinary Time Earnings

From 1 July 2008, the basis for calculating superannuation will be determined by the ordinary time earnings of employees. Ordinary time earnings is defined as what employees earn for their ordinary hours of work. This includes; over-award-payments, commissions , shift allowances and paid leave. However, the definition excludes overtime payments.

Other earnings bases for superannuation calculations will no longer be accepted. This includes alternative definition provided in an industrial award, an existing employment agreement , a fund's trust deed, or a law of the Commonwealth, States or Territories

Standard Choice

Employees engaged in terms of a collective agreement may not be eligible to receive a choice of superannuation fund under the *Superannuation Guarantee (Administration) Act 1992*, unless choice is provided by the agreement. This can alleviate the administration difficulties of a having a multitude of funds. For consultation on this matter please contact our office.

Improve Your Workplace– Contact Drayton's

Drayton's provides assistance to small and large companies in human resources and workplace relations. The services we can offer are as follows:

- Workplace Agreements– This includes drafting, research on wage rates, negotiation and lodging agreements
- Salary and employment contracts
- Recruitment assistance in advertising, compiling and reference screening applicants
- Project management for human resource and industrial relations exercises.
- Assistance with compliance for the National Code of Practice for the Construction Industry
- In house training on workplace issues. Training is tailored specific to a client's needs.

Queensland Public Holidays 2008

Queen's Birthday

Monday 9 June

Royal National Show (Brisbane)

Wednesday 13 August

Christmas Day

Thursday 25 December

Boxing Day

Friday 26 December

Construction Industry RDO Calendar 2008

Tuesday	10 June
Monday	14 July
Monday	4 August
Monday	15 September
Monday	13 October
Monday	3 November
Monday	8 December

Drayton's

Workplace Consulting Pty Ltd

Offers Recruitment Assistance to small and large companies. Services we can offer are as follows;

- A collective advertising point for industry positions and opportunities.
- Compiling and reference screening applicants
- A cost effective resource for recruitment and exchange of labor
- Facilitating the transfer of workforces from project to project

For a personalised service to assist with any of your recruitment needs

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Contact Draytons :

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