

BIPO TIMES



Understanding Australia's Labour Law & Employment Regulations

Australia

Australia is the thirteenth largest economy in the world. With a nominal GDP of A\$2.1 trillion (US\$1.7 trillion), Australia accounts for 1.6% of the global economy.

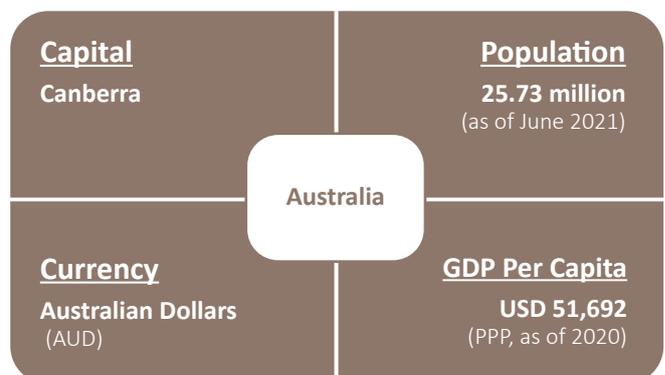
In 2020, Australia was ranked 14th place out of 190 economies in terms of ease of doing business by the World Bank, making Australia one of the most business-friendly countries in the world.

Overview

1. Australia's Labour Law

Fair Work Act 2009

The Fair Work Act 2009 serves to govern the employer and employee relationship. The act provides minimum employment entitlements guidelines through National Minimum Wage, National Employment Standards (NES), and Modern Awards.



National Minimum Wage	<ul style="list-style-type: none"> Serves as the minimal entitled wage for all employees. However, if an employee is under an Award, the Award's minimum wage should be used.
National Employment Standards (NES)	<ul style="list-style-type: none"> There are 11 NES in legislation, and it is relevant to all employer and employees. It includes: <ul style="list-style-type: none"> Maximum weekly hours Types of leave Notice of termination and severance pay Request for flexible working arrangements Public Holidays Fair Work Information Sheet and Casual Employment Information Statement Offers/request to convert from casual to permanent employment
Modern Awards	<ul style="list-style-type: none"> Provides industry-relevant details and build on the NES. It includes: <ul style="list-style-type: none"> Minimum wage Types of employment Working hours (e.g., rest breaks, regular hours) Overtime rates Penalty rates Annualised wages and salaries Allowances Leave and leave loadings Superannuation Procedures for consultation representation and dispute settlement

2. Employment Contract

An employment contract cannot provide less than the legal minimum set out in the NES, Awards, or Enterprise Agreements or any other registered agreements that may apply.

Types of Employment	Specifications	Effective date
Permanent Employment	<ul style="list-style-type: none"> Works an average of 38 hours a week 	<ul style="list-style-type: none"> Can be a permanent employee or on a fixed-term contract Entitled to paid leave including annual and sick & carer's leave Entitled to written notice or payment in the case of termination
Part-time Employment	<ul style="list-style-type: none"> Works an average of less than 38 hours each week (works regular hours) 	
Casual Employment	<ul style="list-style-type: none"> Has no guaranteed hours of work (works irregular hours) 	<ul style="list-style-type: none"> No paid sick or annual leave

3. Minimum Wage

The Fair Work Commission reviews national minimum wage and minimum pay rates under awards yearly. Most changes take place on or after 1 July. Employees covered by an Award or a Registered Agreement are entitled to their Award or Registered Agreement rate rather than the national minimum wage.

Awards' minimum rate ranges based on the industry, occupation, and length of work experience. To ensure the correct minimum wage figure, employers and employees are recommended to check The Fair Work Commission's website.

National Minimum Wage

Amount	Per hour/week	Effective date
20.33 AUD	Hourly	01 July 2021
772.60 AUD	Weekly	01 July 2021

4. Working Hours

While weekly maximum working hours are standardised, other entitlements such as breaks between shifts and meal breaks differ based on industry and occupation. Employers and employees ought to check the applicable awards or agreements to ensure compliance with the labour laws.

Type	Definition
Full-time Employee	Maximum of 38 hours weekly
Other than full-time employee	The lesser of 38 hours or the employee's weekly ordinary hours of work

5. Overtime

Overtime applies to hours worked beyond,

- the ordinary hours of work
- the spread of ordinary hours (e.g., 7am to 7pm)
- the agreed number of working hours

Overtime rates and payments are determined based on the Award applicable to the employee or Enterprise Agreement that the employer and employee agreed on.

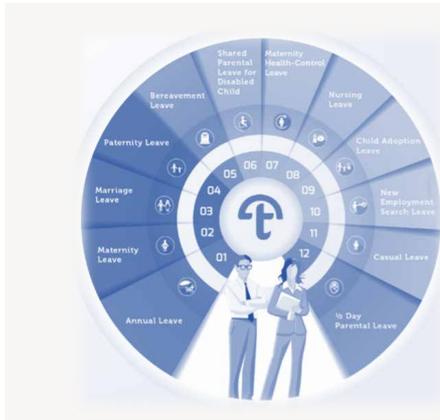
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6. Types of Leave



- 13 – 15 days of public holiday
- Depending on the state and territory.

a. Paid and Unpaid Time Off

Type of Leave	Length of Leave
Annual Leave	4 weeks of paid leave yearly for permanent employees
	5 weeks of paid leave yearly for certain shift workers
Paid Sick & Carer's Leave	10 days yearly for full-time employees
	Pro-rata 10 days yearly for part-time employees
Unpaid Carer's Leave	2 days for each occasion
Compassionate Leave	2 days paid leave for applicable occasions
Family & Domestic Violence Leave	5 days of unpaid leave yearly

Maternity & Parental Leave	12 months of unpaid parental leave
Community Service Leave	No set limit, as long as the duration of the occasion
Long Service Leave	13 weeks after 10 years of continuous employment

b. Public Holiday in 2022 (Public Holidays that falls under the NES)

The list below is of Public Holidays mandated by the NES, which applies to all employees. On top of this list, there are state/territory specific Public Holidays.

Date	Public Holiday
1 January	New Year's Day
26 January	Australia Day
15 April	Good Friday
18 April	Easter Monday
25 April	Anzac Day
Depending on the State or Territory	Queen's Birthday
25 December	Christmas Day
26 December	Boxing Day

7. Statutory Contributions

Superannuation is Australia's provident fund, and it is a long-term saving designed to provide income in retirement. There is a preservation age, the minimum age when members can access their super, and there is no fixed age for retirement.

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 - 30 June 1961	56
1 July 1961 - 30 June 1962	57
1 July 1962 - 30 June 1963	58
1 July 1963 - 30 June 1964	59
From 1 July 1964	60

Employers are currently paying 10% of an employee's wage for superannuation. This percentage is set to increase by 0.50% yearly until it hits 12% on 1 July 2025.

Super guarantee percentage

Period	General super guarantee (%)	Super guarantee (%) for Norfolk Island (transitional rate) (from 1 July 2016)
1 July 2002 - 30 June 2013	9.00	0
1 July 2013 - 30 June 2014	9.25	0
1 July 2014 - 30 June 2015	9.50	0

1 July 2015 - 30 June 2016	9.50	0
1 July 2016 - 30 June 2017	9.50	1
1 July 2017 - 30 June 2018	9.50	2
1 July 2018 - 30 June 2019	9.50	3
1 July 2019 - 30 June 2020	9.50	4
1 July 2020 - 30 June 2021	9.50	5
1 July 2021 - 30 June 2022	10.00	6
1 July 2022 - 30 June 2023	10.50	7
1 July 2023 - 30 June 2024	11.00	8
1 July 2024 - 30 June 2025	11.50	9
1 July 2025 - 30 June 2026	12.00	10
1 July 2026 - 30 June 2027	12.00	11
1 July 2027 - 30 June 2028 and onwards	12.00	12

8. Termination and Severance

Employer and employee should always refer to the applicable Awards or Agreements for the full details regarding termination and severance.

Minimum Notice Period set by the NES

Period of Continuous Service	Minimum Notice Period
1 year or less	1 week
More than 1 year – 3 years	2 weeks
More than 3 years- 5 years	3 weeks
More than 5 years	4 weeks

Types of Termination

Type of Termination	Notice Period	Severance Pay/Entitlements	Next Step
Unfair Dismissal	-	-	Contact the Fair Work Commission and apply within 21 calendar days of the dismissal taking effect.
Unlawful Termination	Depending on employees' age and length of continuous service in the company	<ul style="list-style-type: none"> Any outstanding wages owed Any pay in lieu Any accrued annual leave and long service leave entitlements Balance of any time off the employee has not taken Any redundancy pay 	Contact the Fair Work Commission and apply within 21 calendar days of the dismissal taking effect.

Redundancy	-	<p>Max 16 weeks of pay; however, the following must apply.</p> <ul style="list-style-type: none"> • At least 1 year of continuous service • Works for an employer with 15 or more employees • Casual employees are not eligible • Small businesses are excluded from having to pay <p><i>* Check Awards or Registered Agreements for more information on redundancy pay and other entitlements</i></p>	-
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Around the World with BIPO

Singapore – 18 January

BIPO continues to engage the global business and HR communities with the first of its thought leadership series in 2022 – a blog with hrtech.sg that highlights the need of the hour, data-driven decision making by HR teams and business leaders.

Click [here](#) to read the full blog.



Vietnam & Cambodia – January 2022

BIPO continues its global expansion in 2022 with our colleagues in Cambodia and Vietnam moving to larger premises as our teams continue to expand and increase in numbers.



About us

At BIPO, we help businesses transform and digitalise, enabling them to thrive and realise their growth ambitions. Around the world, we support over 2,800 client in more than 100 countries and regions with a new generation of HR solutions. Our comprehensive suite of service products from our award-winning cloud and mobile-based HR Management System (HRMS), multi-country payroll calculation, overseas landing services, Business Process Outsourcing (BPO) to attendance automation provide clients with a multi-regional, integrated and seamless user experience.

Our global R&D Centres are the foundation of BIPO’s HRMS and Workio platforms, providing cutting-edge, agile, and innovative technology solutions to meet the needs of Industry 4.0. We are also ISO-27001 certified with multi-country compliance, providing clients with the trust and confidence to champion their international growth plans.

Founded in 2004, BIPO is a leading one-stop global HR and Payroll service provider with a vast network of offices in 23 cities across Asia Pacific, Americas, Europe, Middle East & Africa supported by four R&D Centres in Singapore, Mainland China, Indonesia and Malaysia. Our APAC Headquarters in Singapore serves as our hub for the region.

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