

BIPO TIMES

April 2026 Vol. 102

www.biposervice.com

Australia's Labour Law & Employment Regulations

Overview

Australia is home to 28.09 million people ([IMF, 2026](#)), with over 30% of the resident population born overseas – making it one of the world's most multicultural nations.

The economy is stable and open. GDP grew 2.1% in 2025 ([IMF, 2026](#)), supported by a skilled workforce and 15 Free Trade Agreements spanning 26 countries. Foreign investment is actively encouraged and has been central to building new industries.

Residents have access to quality, affordable healthcare – covering both physical and mental health.

Basic Country Facts



Capital

Canberra in Australian Capital Territory (ACT)



Population

28.09 million
IMF



Currency

Australian dollar (AUD, \$)



GDP per Capita

USD 69,360 (as of 2026)
IMF

Business Landscape in Australia

Key Economic Indicators

Unemployment Rate	4.3% RBA
Employment to Population Ratio	64% Australian Bureau of Statistics
Wage Growth	3.4% RBA
Average Weekly Earnings	AUD 1,542 (USD 1,078) RBA

Labour Law & Employment Regulations

Workplace Law

Compared to other nearby countries in Asia, Australia is highly regulated with better employment conditions. The National Employment Standards (NES), established under the Fair Work Act 2009, is the name used for the minimum employment laws and agency bodies.

Recently, the Australian Government passed bills to update the Fair Work Act 2009 (Fair Work Act) and related legislation. New laws can have significant impacts across the workplace relations system. They can change rules and responsibilities for employers and employees.

The “Closing Loopholes” reforms aim to ensure that employees and contractors are not underpaid, that fundamental workplace rights are protected, and that organisations are obligated to comply with Modern Slavery policies. In addition, new measures have been introduced, including paid Domestic Violence Leave and the Right to Disconnect. Under the latter, employees may refuse to respond to after-hours contact from their employer or clients, unless such refusal is deemed unreasonable.

Right to Disconnect

Employees have the right to refuse to monitor, read or respond to contact (or attempted contact) outside their working hours, unless doing so is unreasonable. This includes contact (or attempted contact) from an employer or a third party.

When working out whether an employee’s refusal is unreasonable, the following factors must be considered:

- The reason for the contact
- How the contact is made and how disruptive it is to the employee
- How much the employee is compensated or paid extra for
 - Being available to perform work during the period they are contacted, or
 - Working additional hours outside their ordinary hours of work
- The employee’s role in the business and level of responsibility
- The employee’s personal circumstances, including family or caring responsibilities

Other matters may also be considered. It will be unreasonable for an employee to refuse to read, monitor or respond if the contact or attempted contact is required by law.

Criminalising Wage Underpayments and Other Issues

Intentional underpayment of wages or entitlements can be a criminal offence. This does not include honest mistakes.

An employer may commit a criminal offence where they:

- Were required to pay an amount
 - To an employee such as wages or paid leave entitlements
 - On behalf of the employee, or for their benefit, such as superannuation or a salary sacrifice arrangement
- Have done something intentionally that results in those amounts not being paid on or before the day they were due

The offence only applies to intentional underpayments that happen after these provisions take effect. This includes where they are part of a course of conduct that started before the provisions take effect.

Payday Super

From 1 July 2026, employers must pay superannuation (super for short) on payday, and the payment must be received by the employee's fund within seven business days. There are some exceptions, for example, the first super contribution for a new employee will need to be made within 20 business days of the salary or wages being paid.

The reforms introduce new terms: Qualifying Earnings (QE)—the salary or wages on which superannuation is payable—and QE Day, which refers to the day on which superannuation is payable (i.e. payday).

There are also changes to penalties that apply to late or non-payment of super, including administration penalties that can be reduced if an employer voluntarily discloses late payments.

Employers should begin reviewing their payroll systems and business processes to make sure they are ready. This may include speaking with their payroll software provider, accountant, or registered tax professional.

Employee Entitlements and Protections

Employees in Australia have entitlements and protections at work, under:

 Fair Work Laws	 Awards	 Enterprise Agreements	 Employment Contracts
<ul style="list-style-type: none">• Set minimum entitlements for all employees• Includes the National Employment Standards	<ul style="list-style-type: none">• Set minimum pay and conditions for an industry or occupation• Cover most employees in Australia	<ul style="list-style-type: none">• Set minimum pay and conditions for a particular workplace• Negotiated and approved through a formal process	<ul style="list-style-type: none">• Provide additional conditions for an individual employee• Cannot reduce or remove minimum entitlements

The **National Minimum Wage** applies to employees not covered by an award or registered agreement. This is the minimum pay rate provided by the Fair Work Act 2009 and is reviewed each year. As of 1 July 2025, the National Minimum Wage is AUD 24.95 per hour or AUD 948 per week.

National Employment Standards

The National Employment Standards are minimum entitlements that apply to all employees. NES entitlements include the right to be given certain information statements. Employees have the right to request flexible working arrangements, and to get superannuation contributions from employers.

The table below summarises other NES entitlements, rules and exclusions that apply. Awards or agreements may provide more.

	Full-time and part-time employees	Casual employees
Annual Leave	<ul style="list-style-type: none"> ✔ Entitled to 4 weeks of paid leave per year; part-time employees get a pro-rata entitlement, and eligible shift workers receive 1 additional week. 	<ul style="list-style-type: none"> ✘ No entitlement to paid annual leave.
Personal Leave (Sick or carer's leave)	<ul style="list-style-type: none"> ✔ Entitled to 10 days of paid leave per year; part-time employees get a pro-rata entitlement. 	<ul style="list-style-type: none"> ✘ No entitlement to paid personal leave.
Carer's Leave	<ul style="list-style-type: none"> ✔ If paid personal leave has been exhausted, employees may take 2 days of unpaid leave on each permissible occasion. 	<ul style="list-style-type: none"> ✔ Entitled to 2 days of unpaid leave on each permissible occasion.
Compassionate Leave	<ul style="list-style-type: none"> ✔ Entitled to 2 days of paid leave on each permissible occasion. 	<ul style="list-style-type: none"> ✔ Entitled to 2 days of unpaid leave on each permissible occasion.
Family and Domestic Violence Leave	<ul style="list-style-type: none"> ✔ Entitled to 10 days of paid leave each year. 	<ul style="list-style-type: none"> ✔ Entitled to 10 days of paid leave each year.
Community Service Leave <ul style="list-style-type: none"> • Jury duty • Voluntary emergency management activities 	<ul style="list-style-type: none"> ✔ Entitled to 10 days of paid leave with make-up pay and unpaid leave as required for jury duty. ✔ Entitled to unpaid leave to engage in eligible community service, including voluntary emergency management activities. 	<ul style="list-style-type: none"> ✔ Entitled to unpaid leave as required for jury duty. ✔ Entitled to unpaid leave to engage in eligible community service, including voluntary emergency management activities.
Long Service Leave	<ul style="list-style-type: none"> ✔ May be entitled to long service leave under the NES, an enterprise agreement, or under state or territory laws; entitlements and eligibility rules vary. 	<ul style="list-style-type: none"> ✔ May be entitled to long service leave under the NES, an enterprise agreement, or under state or territory laws; entitlements and eligibility rules vary.
Parental Leave Eligible after 12 months of employment	<ul style="list-style-type: none"> ✔ Entitled to 12 months of unpaid leave, extendable to 24 months with the employer's agreement. 	<ul style="list-style-type: none"> ✔ Entitled to 12 months of unpaid leave, applicable for regular and systematic casual employees, extendable to 24 months with the employer's agreement.
Maximum Hours of Work	<ul style="list-style-type: none"> ✔ Full-time employees – 38 hours each week plus reasonable additional hours. ✔ Part-time employees – 38 hours or the employee's ordinary weekly hours, whichever is less. They may work reasonable additional hours. 	<ul style="list-style-type: none"> ✔ 38 hours or the employee's ordinary weekly hours, whichever is less. They may work reasonable additional hours.

	Full-time and part-time employees	Casual employees
Public Holidays	✔ Entitled to a paid day off if it falls on a day they would normally work; reasonable refusal to work applies if requested.	✔ Entitled to an unpaid day off; reasonable refusal to work applies if requested.
Notice of Termination	✔ Entitled to 1 to 5 weeks' notice (or pay in lieu), depending on length of service and age.	✘ No entitlement to notice of termination.
Redundancy Pay Eligible after 12 months of employment	✔ Entitled to 4 to 16 weeks' pay, depending on length of service; exclusions apply.	✘ No entitlement to redundancy pay.
Employee Choice about Casual Employment	✘ Not applicable.	✔ Employees may request to convert to full-time or part-time employment in certain circumstances, subject to applicable rules.

Employment Contract

An employment contract is an agreement between an employer and an employee that sets out the terms and conditions of employment. A contract can be in writing or verbal.

- Permanent full-timers usually work an average of 38 hours each week, while part-timers work, on average, less than 38 hours per week (work regular hours each week).
- Fixed term full-time and part-timers receive contracts of employment that terminate at the end of a set period. A fixed-term contract cannot be for longer than 2 years. This includes any extensions or renewals.
- Casual employees have no guaranteed hours of work (work irregular hours), and they are not entitled to paid personal or annual leave.

Statutory Contributions

1. Statutory Contributions from Employer

- Superannuation (Social Security): Currently 12% in FY25-26. It is a long-term saving designed to provide income in retirement. No official retirement age in Australia. Most funds allow employees to access superannuation investments without restriction when they reach the age of 65.
- Workers Compensation Insurance: Employers must have insurance to cover their workers in case they are injured because of work.
- Payroll Tax: Different per State (4.85% - 6.85%). Employers will have to pay payroll tax if their wage bill is over the statutory threshold.

2. Contributions from Employee

- Pay As You Go (PAYG): When you are working as an employee, you must pay income tax on payments you receive from your employer. Your employer deducts tax from your pay and sends those amounts to the Australian Taxation Office (ATO).
- Voluntary superannuation: The extra money you add into your super account. There are two types of voluntary contributions:
 - Made after tax from your take-home pay or other money you have
 - Salary sacrifice contributions made before tax

Work Health and Safety

Work Health & Safety Act 2011 is effective on 1 January 2012. The main objective of this Act is to protect workers and other people against harm to their HS&W through the elimination or minimisation of risks arising from work.

Workers' compensation is a form of insurance payment to employees if they are injured at work or become sick due to their work. Employers in each state or territory must take out workers' compensation insurance to cover themselves and their employees. Workers' compensation includes payments to employees to cover their:

- Wages while they are not fit for work
- Medical expenses and rehabilitation

Duties of a PCBU: A person conducting a business or undertaking (PCBU) has a primary duty of care to ensure the health and safety of workers while they are at work in the business or undertaking, and others who may be affected by the carrying out of work, such as visitors.

Worker duties: A worker is a person who carries out work for a small business or undertaking. The term 'work' is not defined in the model WHS laws and has its ordinary meaning. While at work, workers must take reasonable care for their health and safety, and that of others who may be affected by the worker's acts or omissions. A worker can be prosecuted for failing to comply with their duties.

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BIPO at Workday's launch in Vietnam. Vietnam New's Workday. AI Powered, Human Centric, Future-Ready



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2025/2026



HR Vendors of the Year 2025

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Our comprehensive HR offerings include **Human Capital Management solutions**, **Global Payroll Outsourcing**, and **Employer of Record services**, powered by our award-winning HR Management System and Athena BI (Business Intelligence) platform.

At BIPO, we deliver customised services and scalable tech-enabled solutions that automate processes, simplify workflows, and generate actionable insights.

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