

## SPRING CLEANING FOR YOUR BUSINESS: HR ESSENTIALS TO STAY COMPLIANT

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If your business hasn't reviewed its HR setup lately, now is the time to check your compliance. Between award wage increases, superannuation changes and updated record-keeping requirements, staying across your obligations is critical. Gaps in compliance can lead to backpay claims, penalties, or even Fair Work disputes.

### 1. Apply the New Minimum Pay Rates

The Fair Work Commission has increased both the National Minimum Wage and Award minimum wages by 3.5%, effective 1 July 2025.

If you have employees covered by any Modern Award:

- Update pay rates to reflect the changes.
- Don't rely on past rates or verbal agreements.

If you use flat rates or annual salaries, make sure these arrangements still satisfy all Award entitlements, including:

- Overtime.
- Weekend and public holiday penalties.
- Allowances (e.g., higher duties, meal, or travel allowances).
- Leave loading.

You may need to conduct a Better Off Overall Test (BOOT) to confirm your pay structure remains compliant.

### 2. Update Superannuation Contributions to 12%

The Superannuation Guarantee rate increased from 11.5% to 12% on 1 July 2025.

If you haven't already:

- Update your payroll system or manual payroll process to reflect the new rate.
- If you include superannuation in an employee's total pay package, make sure you recalculate their base wage to reflect the new 12% rate.
- Review superannuation payments for contractors, some may be entitled to superannuation even if they have an ABN.

Employers are legally responsible for ensuring superannuation is paid correctly and on time. Missed or late contributions can result in penalties and interest charges.

### 3. Review and Update Employment Contracts

Every employee, whether casual, full-time or part-time, should have a written contract outlining their terms of employment.

Your contracts should clearly state:

- Employment type (casual, part-time, full-time).
- Applicable Award and classification.
- Pay structure (hourly rate, flat rate, salary).
- Key terms such as hours, leave entitlements, termination, and notice periods.

If you're unsure whether someone is genuinely a contractor or should be classified as an employee, review these arrangements now. The laws changed in 2024 and misclassification can be costly.

#### **4. Check and Correct Leave Records**

Leave records must be accurate and up to date for all permanent employees.

Confirm that:

- Leave balances are accurately recorded.
- Accruals are correct in your payroll or spreadsheets.
- You're tracking long service leave entitlements.

#### **5. Update Workplace Policies and Induction Processes**

Clear policies and inductions protect your business and help workers understand their rights and responsibilities, ensure you review your:

- Code of conduct and workplace rules.
- WHS policies.
- Drug and alcohol policies.
- Procedures for handling bullying, disputes, or misconduct.
- Onboarding processes for new or returning workers.

Make sure everyone, including casual staff and family members working in the business, are aware of their expected conduct, rights and obligations.

#### **6. Complete Outstanding Probation and Performance Reviews**

If you've brought on new employees during the year, don't overlook probation periods:

- Complete reviews before the probation period ends.
- If a worker isn't suitable, a structured process will help you meet your legal obligations and reduce the risk of claims and/or disputes.

#### **7. Verify Employee Details and Right to Work**

Take the opportunity to review your records and confirm you have the required documentation:

- Tax File Numbers.
- Super fund choice forms.
- Emergency contacts.
- Visa evidence for any workers on temporary or restricted visas.
- Signed contracts and policy acknowledgments.

Incomplete records are one of the most common issues identified during Fair Work audits. Keeping records up to date isn't just best practice, it's a legal requirement.

#### **8. Plan Ahead for Your Workforce**

Use this spring cleaning period to think about:

- Who you'll need during the next busy period.
- What contracts, training, or pay reviews are required.
- Whether you may need additional HR support to stay compliant.

A little HR spring cleaning goes a long way. If you want peace of mind that your wages, super and employment records are fully compliant, get in touch with our team today.

Contact us at [enquiries@processworx.com.au](mailto:enquiries@processworx.com.au) or visit [processworx.com.au](http://processworx.com.au) and [processworxag.com.au](http://processworxag.com.au).



##### **How ProcessWorx & ProcessWorxAg can help your business or farm:**

With over 10 years of experience working with small businesses, ProcessWorx knows the importance of understanding and protecting your business from ongoing changes to the Industrial Relations landscape, while ensuring you remain compliant.

If you need assistance implementing any changes in your business or would like a review of your current workforce planning and contracts, please contact ProcessWorx and they can assist you with your IR compliance.

If you would like more information about Industrial Relations for your business, please contact ProcessWorx on **(08) 9316 9896** or email [enquiries@processworx.com.au](mailto:enquiries@processworx.com.au) or visit [processworx.com.au](http://processworx.com.au) and [processworxag.com.au](http://processworxag.com.au).