



## e-News

Monday, 18th March 2024

Newsletter No 134

# Wage Theft Legislation is coming! Review your payroll now!



On 1 January 2025, [Wage Theft Legislation](#) will be enacted. This legislation is part of the Federal Government's "Closing Loopholes" laws which effectively change the Fair Work Act.

Wage Theft Legislation will make it a criminal offence to underpay wages deliberately. Penalties could be \$7.825 million or more for a company and \$1.565 million or more

for an individual and/or 10 years in prison. The Fair Work Ombudsman will be responsible for investigating possible wage theft cases.

These are very hefty penalties indeed. No one wants to be at the pointy end of these new laws therefore, in my opinion, reviewing your payroll set-up **now** and ensuring it is completely compliant, would be a good idea. To that end, conducting a payroll audit is necessary.

## How to Audit Your Payroll Set-up

A payroll audit includes a review of payroll practices, systems and outcomes, all underpinned by complex regulations that vary at the federal, state and territory levels. It looks at employee classifications, pay rates, entitlements, and record-keeping.

The Fair Work Ombudsman has provided a step-by-step guide to auditing your payroll. You can [download it here](#). The guide assists in reviewing payroll records, assessing the findings and finally, providing solutions for any issues raised.

Further to the above guide, the [Australian Payroll Association](#) recommends taking these 5 steps to assist with the audit process:

1. **Engage a Specialist** - a payroll specialist can review your current set-up and identify any gaps or areas of risk that require addressing.
2. **Educate your Team** - make sure your team is across the new Wage Theft Legislation. Provide training and education in any areas of payroll legislation in which your team are lacking.
3. **Leverage Technology** - Modern payroll systems help avoid non-compliance issues. If your payroll technology is outdated or not up to par with Australian requirements, consider upgrading to a system that automates calculations and processes for better compliance.
4. **Document Everything** - Ensure all payroll processes are well-documented and records are meticulously kept to prove compliance, aid transparency, and defend your organisation in disputes.
5. **Regular Reviews** - Once your payroll is fully compliant, ensure regular payroll audits are conducted to catch and correct any discrepancies before they create significant issues.

With the introduction of Wage Theft Legislation, employers are encouraged to be proactive and conduct a thorough payroll audit to ensure compliance. Doing this now, and making it a regular process going forward, will ensure that employers are well-placed to avoid becoming embroiled in criminal proceedings and potential sanctions.

## In Other Bookkeeping\_BAS News...

**Free Business Training:** Are you interested in learning more about business planning, finances, record keeping/registration, tax and super management? You can access 21 free courses on this online learning platform called "[Essentials to Strengthen your Small Business.](#)"

**[Can I Claim the GST on That](#) page updated:** Some new items have been added to this list including whether GST applies when you pay for goods using digital currency and GST on compression socks.

**Fuel Tax Credits Increase:** From 5 February, the rates for fuel tax credits were increased in line with the fuel excise duty indexation. Use the fuel tax credit calculator to correctly calculate your claims according to the duty rate for the relevant period. <https://bit.ly/42yHlAs>

**Next BAS due date:** The next quarterly BAS for **January to March 2024**, is due by **28th April 2024** if electing to receive and lodge by paper and not an active STP reporter. If, however, you have elected to receive and lodge electronically, this BAS is due by **26th May 2024**.

**Next Super due date:** The Q3 2023-24 super guarantee contributions are due by **28th April 2024**. I advise that you lodge and pay at least a week before this date to ensure payments are received by super funds by this date. Paying on the 28th of April is too late and you will need to lodge a super guarantee charge statement as a result.

**Your Online Services - you will Control who has Access from 13 Nov:** If you engage a new agent, change to a new agent, or need to make changes to what your agent is authorised to do for you, you will need to go through the Agent nomination process. [Read more here for further details.](#)

**Super is now part of the NES:** [Super is now an entitlement under the National Employment Standards \(NES\).](#) This means that most employees covered by the NES can take court action under the Fair Work Act to recover unpaid super unless the ATO has already commenced proceedings about that super.

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