



e-News

Monday, 3rd November 2025

Newsletter No 181

Navigating Annual Leave and Public Holidays - What Employers and Employees Need to Know



Every year, as we approach the Christmas break, I like to remind employers and employees about their rights and responsibilities in terms of taking leave and how this relates to public holidays. This newsletter will address this issue and help you all plan your payroll for the upcoming festive season.

All businesses are different and have varying requirements during the festive season. Some shut down completely, while others remain open, even on public holidays.

Shutdowns

If your business shuts down at Christmas, you can give your employees the direction to take annual leave for the shutdown period. Your direction must be reasonable, in writing, and provided to all affected employees. If your employees are covered by an award or enterprise agreement, you do need to [check the rules relating to shutdown and directing employees to take leave](#), because all awards and agreements are different. If no award or agreement applies, employers can only direct the employee to take annual leave if the direction is reasonable.

Employees Without Enough Accrued Annual Leave

Sometimes, employees may not have accrued enough annual leave to cover the full period of a shutdown. In this case, employers can agree to allow an application for annual leave accrued in advance or for unpaid leave. Whatever is decided, it is important to check the rules in the award if one applies, and to put all decisions made in writing.

Working During the Festive Season

If your business remains open during all or some of the festive season, the rules for taking and paying leave are fairly simple. Workers need to receive their normal pay while they work and be paid for any public holidays that they take off. If they work on a public holiday, workers need to be paid public holiday rates which are listed in all awards.

Employers may request that workers do overtime during the festive season, including on public holidays. However, this request must be reasonable, taking into consideration the needs of the business and the employees' personal commitments. Again, this is driven by the relevant award and/or the employees' contract, if they are award-free. Remember, if employees work on a public holiday and do overtime on that day, they may be eligible for penalty rates, another day off or extra annual leave - check your award to clarify the details.

Not Working on a Public Holiday

If an employee doesn't work on a public holiday, they must be paid their base rate for the ordinary hours they would have worked. Public holidays are not deducted from the employee's accrued leave balance, so ensure that all leave applications do not include any public holidays before approving them. These rules also apply during a shutdown. It's important to note that employees should be given the choice to work on a public holiday, should they wish to do so.

Resources

Here are some links that may assist you when you are planning your festive season payroll:

- [Festive Season Public Holidays in Australia 2025-26](#)
- [Annual Leave Fact Sheet](#)
- [Rules & Leave Entitlements – Fair Work](#)

In Other Bookkeeping_BAS News...

[Can I Claim the GST on That](#) page updated: Some new information has been updated in relation to container deposit schemes.

Next BAS due date: The next quarterly BAS for **July to Sept 2025**, is due by **25th November 2025 if lodged online by a tax professional or in Online Services for Business**. If you are receiving a paper BAS and are not an active STP reporter, the BAS is due by **28th Oct 2025**.

Next IAS due date: The October 2025 Business Activity Statement is due by **21st November 2025**.

Next Super due date: The Q1 2025-26 SG is due **by 28th October 2025**.

7 Common Mistakes when Managing Allowances & Deductions: [See this post by Aust Payroll Association](#).

Plan Ahead for BAS Lodgement: ATO online services, including Online services for business, [will be unavailable at different times over most weekends in November 2025](#). Lodge your BAS on weekdays to avoid late lodgement fees.

ATO Super Clearing House to close: The SBSCH is closing on 1 July 2026. Read [more here](#) from the ATO.

October is Cyber Security Awareness Month: Try out the ATO's free online [Cyber Security Course](#) for your business today.

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Victorian Land Tax Changes: What Home-Based Businesses Need to Know

If you run a business from your home in Victoria, you might now be liable for land tax on your Principal Place of Residence (PPR).



The Right to Disconnect: A New Standard for Work-Life Balance

For small business employers and their employees, Australia's new **Right to Disconnect Laws** became effective on **August 26, 2025**. Learn more in this blog.

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