



MEMBERS UPDATE

MARCH 2025

Welcome to the March 2025 member's update

In this month's members update we look at:

- Daylight Savings
- Casual conversion transition arrangements ended 26 Feb 2025
- NSW to Provide Portable LSL for Community Service
- Changes to NT Payroll Tax



Daylight Savings

Daylight saving time will end on Sunday 6 April 2025. Clocks go back one hour at 3am to 2am in:

- Australian Capital Territory
- New South Wales
- South Australia
- Tasmania
- Victoria

There is no change to the time in:

- Northern Territory
- Queensland
- Western Australia

What employees are paid if they work when daylight saving time ends

Employees should check their award or enterprise agreement for terms about daylight saving. If there is nothing in them about daylight saving, payment is made 'by the clock'.

Daylight saving time ends with rolling the clock back from 3am to 2am. This means that employees working an overnight shift will work one hour more but aren't paid for that extra hour.

When daylight saving time started and the clock was rolled forward, employees worked one hour less but should have been paid according to the clock.

Example: Working through the night when daylight saving time ends

Dave's usual shift is 8.30 pm – 5 am. He works an 8 hour shift with a 30 minute unpaid break. Dave doesn't have an award or registered agreement that says anything about daylight saving.

During his Sunday night shift, daylight saving ends and the clock goes back one hour. This means that while Dave works for 9 hours, he is paid for 8 hours of work 'by the clock'. Later in the year, if Dave is working when daylight saving starts, he will only work 7 hours but get paid for 8 hours.

References: *FWO - Library Article - K600489*

Casual Conversion transition period ended 26 February 2025

Casual Conversion transition period ended 26 February 2025

The Fair Work transition period to the new casual conversion requirements ended on 26 February 2025.

Information about these changes on the Fair Work website are available [here](#).

New Pathway for Casual Conversion

Employees can notify their employer of their intention to convert to permanent employment if they:

- Have been employed for at least 6 months (or 12 months if working for a small business employer).
- Believe they no longer meet the new definition of a casual employee.

Employees can't notify their employer of their intention to change to permanent employment if they:

- are currently engaged in an ongoing dispute with their employer about casual conversion, or
- in the last 6 months:
 - their employer refused a previous notification
 - they've resolved a dispute with their employer about casual conversion.

Example: Casual conversion

Mariana works as a casual cleaner at a large contract cleaning company.

Mariana has been working for her employer for 9 months. Mariana's employer:

- rosters Mariana to work every week from 8am to 1pm, Monday to Friday
- as an increasingly busy cleaning company, has always been able to offer her work
- believes it's reasonably likely Mariana will have ongoing work available in the future
- has part-time employees working in the same role.

Mariana believes that she no longer meets the definition of casual employee.

Mariana tells her manager, Victor, that she intends to change to part-time employment. She provides the notification to him in writing. Victor then organises a meeting with her.

In the meeting, Mariana explains why she believes she can change to part-time work. Victor agrees and they discuss how many hours Mariana would like to work. They also discuss when the change would happen.

Victor responds in writing within 21 days of Mariana providing the notification and agrees to the change to part-time employment. He includes details of her new working hours and when it will take effect.

More information on Casual 's Becoming Permanent is available on the Fair Work website [here](#).

Casual Employment Information Statement (CEIS)

The Casual Employment Information Statement (CEIS) is a document with information about employment conditions that an employer must provide to all new casual employees.

The CEIS will now need to be provided to:

- new casual employees before, or as soon as possible after, the start of their employment
- all casual employees employed by non-small businesses as soon as possible after
 - 6 months of employment
 - 12 months of employment and every subsequent period of 12 months of employment
- all casual employees of small businesses as soon as possible after 12 months of employment.

More Information on the CEIS can be found [here](#).

NSW Portable LSL for Community Service

The NSW Government is introducing a new portable long service leave scheme due to commence on 1 July 2025, this is still pending finalisation.

It is proposed, under the new scheme, those who do eligible work in the community services industry can accrue long service leave across different jobs, employers and contracts.

Problem: Many community services workers change employers frequently, making it difficult to qualify for traditional long service leave (10 years with one employer).

Solution: The NSW government is introducing a portable long service leave scheme (CSI scheme) that allows workers to accrue leave based on their total service within the industry, even if they've worked for multiple employers.

Who is Covered: The scheme covers full-time, part-time, and casual workers who either:

- carry out community service work, or
- work for an employer whose predominant purpose is to provide a community service.

This includes organisations operating both for-profit and not-for-profit. *The Community Services Sector (Portable Long Service Leave) Act 2024* provides more information on eligibility.

Leave Entitlement: Workers become eligible after seven years of industry service. They are then entitled to 6.1 weeks of paid leave, based on ordinary wages (not including overtime). It doesn't need to be taken straight away or all at one time.

Employee Early Registration Bonus: Workers who register within the first six months of the scheme's launch will receive a bonus year of service credit.

Funding: The scheme is funded by a quarterly levy paid by eligible employers and self-employed contractors who opt-in. Employers who have employees defined under the Act are required by law to register

Existing Legislation: The scheme operates alongside the existing Long Service Leave Act 1955, which still applies to workers with 10 consecutive years of service with a single employer.

More information and How to prepare for the scheme is available [here](#) on the Long Service NSW website

Changes to NT Payroll Tax

Royal Assent to the below changes was granted on 18 February 2025.

From 1 January 2025, payroll tax will be waived for liabilities incurred between 1 January 2025 to 30 June 2025, for employers with taxable Australian wages of \$2.5 million or less.

Who is Eligible: Employers with 2024-25 taxable Australian wages of \$2.5 million or less are eligible for the waiver. For grouped employers, if your group's 2024-25 taxable Australian wages are \$2.5 million or less, the group will be eligible for the waiver. Only the Designated Group Employer (DGE) will be able to claim the waiver in the Group Annual Return. All other employers must continue to pay payroll tax as per normal.

How it Works: Different rules apply if you are a monthly or annual lodger for payroll tax in the Northern Territory. You may need to switch how you report to get the benefit of this waiver.

From 1 July 2025, the Payroll Tax Act 2009 will be amended to:

- increase the tax-free threshold to \$2.5 million, previously this was \$1.5 million.
- increase the maximum annual deduction to \$2.5 million
 - From 1 July 2025, the annual deductible amount will increase from \$1.5 million to \$2.5 million but reduce at an increased rate of \$1 for every \$2 of Australian wages above the tax-free threshold (the current reduction rate is \$1 for every \$4 of wages).
 - The net effect of these changes is that employers with taxable Australian wages of between \$2.5 million and \$7.5 million will pay reduced payroll tax
 - Employers that pay taxable Australian wages of \$7.5 million or above are still not eligible to claim a deductible amount and will not be impacted by these changes
- exempt wages paid to apprentices and trainees.
 - Wages are eligible for the exemption if employees are 'apprentices' and 'trainees' as defined in the Training and Skills Development Act 2016.
 - In addition, for trainees, if immediately before commencing their traineeship, the trainee was employed by you for a continuous period of:
 - 3 months or more (for full-time employees)
 - 12 months or more (for part-time or casual employees)

the wages paid to the trainee will not be eligible for the exemption.

More information and FAQ's are available on the NT Treasury website, please click [here](#) to see the page.

Compliance

APA Advisory team Compliance check – A Redundancy is not always tax free.

In the 2024-25 financial year, the tax-free portion of a genuine redundancy payment in Australia is calculated as follows:

Base Amount: \$12,524

Service Amount: \$6,264 per year of completed service.

Example: If an employee has 10 years of Service - $\$12,524 + (\$6,264 \times 10) = \$75,164$ The employee could have up to \$75,164 tax free

A redundancy is not considered "genuine" and thus not eligible for the tax-free portion in the following situations

- The employee is over the pension age: If the employee is dismissed after reaching their Age Pension age at the time of termination, they are not entitled to the tax-free amount.
- The employer plans to rehire the employee at the time of termination: If the employer intends to rehire the employee, it may indicate that the redundancy is not genuine.

- The employee is part of a fixed-term contract: If the termination occurs at the end of a fixed-term contract, it typically does not qualify as a genuine redundancy.

In such cases, the payment is taxed as part of an Employment Termination Payment (ETP).

The Australian Payroll Association solves payroll problems across various industries and employer sizes. We specialise in payroll compliance and related issues, ensuring your business meets legal standards and maintains payroll excellence.

If you feel that you need your Redundancy calculations checked, please reach out to APA.

For more information about the consulting services offered by our Advisory Team please feel free to contact us at any time - [Payroll Consulting & Compliance | Australian Payroll Association](#)

FAQ

Q. Does a Car allowance have super payable on it?

A. If the allowance is paid and not expected to be fully expensed i.e. it is a Non-deductible allowance, then it is considered OTE and you must pay Super on it.

B. If the allowance is paid and is expected to be fully expensed and for work-related travel, i.e. it is a Deductible Expense, then it is not OTE and you will not need to pay super on it.

Q. What type of payments are considered Non- Excluded ETP's? and What Cap is used?

Examples of Non-Excluded ETP's are:

- Golden handshakes
- Gratuities
- Payment for rostered days off
- Payment for unused sick leave

Use the smaller of the ETP cap or the Whole of Income cap for non-excluded payments.

Australian Payroll Summit - Melbourne March 202

The Australian Payroll Summit is the premier event for payroll professionals in Australia, and this March we are bringing it to Melbourne on 28 March.

Payroll is an essential function of every business, but it's also constantly evolving. That's why we believe in the importance of continuous learning in the payroll industry.

Join Australian Payroll Association as we empower you to solve future challenges in collaboration with your peers, Industry leaders and technical experts.

<https://www.austpayroll.com.au/australian-payroll-summit/>

MEMBERS AREA



Our March members webinar will be held on Wednesday 26th March at 1pm (Sydney time) where we will be discussing Public Holiday Obligations.