



MEMBERS UPDATE

————— DECEMBER 2024 —————

Welcome to the Decemer 2024 member's update

In this month's members update we look at:

- Update to SCHADS, Aged Care and Nurses awards for aged care workers
- FBT on plug-in hybrid electric vehicles
- Review of C14 and C13 (or Level 1) rates in modern awards
- Changes to Northern Territory Payroll Tax

It is almost the end of the year, and what a year it has been. Let's end the year well with looking at what is new in payroll this month.



Update to SCHADS, Aged Care and Nurses awards for aged care workers

The Fair Work Commission recently announced changes to several Awards. These changes primarily impact employees engaged in direct aged care work. The changes take effect from the first full pay period that commences on or after 1 January 2025. The affected Awards include the:

- Aged Care Award
- Social, Community, Home Care and Disability Services (SCHADS) Award for employees working in Home Care (Aged Care)
- Nurses Award

Pay increases for eligible employees

From the first full pay period that commences on or after 1 January 2025, minimum pay rates will rise for eligible employees in the aged care sector.

The specific increase an employee receives will depend on the award that applies to them and their classification.

The pay increase will apply to:

- Direct care workers covered by the Aged Care Award, including nursing assistants who were previously covered by the Nurses Award
- General care workers covered by the Aged Care Award
- Aged care employees covered by the SCHADS Award, including nursing assistants who were formerly covered by the Nurses Award

The Fair Work Ombudsman has already published the new Pay Guides:

[Aged Care Award](#)

[SCHADS Award](#)

[Nurses Award](#)

Further increases will apply for some workers from 1 October 2025. These Pay Guides have not yet been published.

New definitions and classifications within the Aged Care Award

The Commission has updated the Aged Care Award to:

- add a definition of ‘direct care’ employee to clarify their role in the aged care sector
- add a new classification structure for direct care workers.

These will apply from the first full pay period that commences on or after 1 January 2025.

You can find further details in the FWC Determination [here](#).

Changes to award coverage for nursing assistants working in aged care

From the first full pay period that commences on or after 1 January 2025, nursing assistants currently covered by the Nurses Award who work in the aged care sector will be moved to either:

- The Aged Care Award, or
- The SCHADS Award.

The award that applies will depend on the employer’s industry and the type of work being performed.

Both the Aged Care Award and the SCHADS award will have new clauses inserted to preserve the annual leave entitlements from the Nurses Award for employees who were covered by the Nurses Award as of 31 December 2024. This means that those employees will continue to be entitled to 5 weeks of annual leave, or 6 weeks for shift-workers.

New classification schedule for home care employees in the SCHADS Award

From 1 January 2025, home care worker classifications will be split into two streams in the SCHADS Award. The current Home Care employee classification schedule (Schedule E) will be renamed Home Care Employees – Disability Care.

A new classification schedule (Schedule F) will be added to the SCHADS award, called Home Care Employees – Aged Care.

A new classification translation schedule will also be added to the SCHADS Award (Schedule G). The schedule will contain tables to help identify an employee’s new classification. This includes the reclassification of home care employees covered by the SCHADS Award and nursing assistants from the Nurses Award.

You can find further details in the FWC Determination [here](#).

FBT on plug-in hybrid electric vehicles

From 1 April 2025, plug-in hybrids (PHEVs) will no longer be exempt from Fringe Benefits Tax (FBT), unless a financially binding commitment was made before this date. This means organisations will need to begin paying FBT on PHEVs unless certain conditions are met.

Organisations should be mindful that certain changes can affect their FBT exemption status:

- **New Agreements:** If new commitments regarding PHEVs are made after 1 April 2025, these will not qualify for the FBT exemption.
- **Modifications to Existing Agreements:** Changes to existing agreements, such as lease extensions or adjustments to financial terms, may result in the loss of the FBT exemption.

Companies should seek advice from a qualified accountant to make sure that they understand their FBT liability. You can also find further information from the ATO [here](#).

Review of C14 and C13 (or Level 1) rates in modern awards

On 19th November the Fair Work Commission issued the final decision in its review of modern awards which contained pay rates which were less than the national minimum wage. These rates were intended to be transitional rates only, meaning they could only be applied for employees new to an industry for a limited period of time. However, many awards did not have time frames associated with these rates, or had time frames deemed excessive.

The Fair Work Commission has now completed its review of these rates and issued determinations for each of the below awards. You can find the determination for each award [here](#).

These determinations take effect from the first full pay period on or after the effective date.

Modern Award	Effective Date	Modern Award	Effective Date
Aquaculture Industry Award	1-Jan-25	Joinery and Building Trades Award	1-Jan-25
Air Pilots Award	1-Jan-25	Live Performance Award	1-Jan-25
Airline Operations - Ground Staff Award	1-Jan-25	Manufacturing and Assoc Industries and Occupations Award	1-Jan-25
Amusement, Events and Recreation Award	1-Jan-25	Marine Tourism and Charter Vessels Award	1-Jan-25
Animal Care and Veterinary Services Award	1-Jan-25	Meat Industry Award	1-Jan-25
Architects Award	1-Jan-25	Pastoral Award	1-Apr-25
Business Equipment Award	1-Jan-25	Pest Control Industry Award	1-Jan-25
Cement, Lime and Quarrying Award	1-Jan-25	Port Authorities Award	1-Jan-25
Children's Services Award	1-Jan-25	Rail Industry Award	1-Jan-25
Concrete Products Award	1-Jan-25	Seafood Processing Award	1-Jan-25
Cotton Ginning Award	1-Jan-25	Seagoing Industry Award	1-Jan-25
Dry Cleaning and Laundry Industry Award	1-Jan-25	Sugar Industry Award	1-Jan-25
Electrical, Electronic and Communications Contracting Award	1-Jan-25	Textile, Clothing, Footwear and Assoc Industries Award	1-Jan-25
Fitness Industry Award	1-Jan-25	Timber Industry Award	1-Jan-25
Food, Beverage and Tobacco Manufacturing Award	1-Jan-25	Travelling Shows Award	1-Jan-25
Funeral Industry Award	1-Jan-25	Vehicle Repair, Services and Retail Award	1-Jan-25
Graphic Arts, Printing and Publishing Award	1-Jan-25	Wine Industry Award	1-Jan-25
Horticulture Award	1-Apr-25	Wool Storage, Sampling and Testing Award	1-Jan-25

Changes to Northern Territory Payroll Tax

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.

If an employer is a grouped employer in 2024-25 with 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.

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

- increase the tax-free threshold to \$2.5 million
- increase the maximum annual deduction to \$2.5 million
- exempt wages paid to apprentices and trainees.

Tax-free threshold and annual deduction increase from 1 July 2025

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).

Annual Deduction = Threshold Amount – ((Taxable Wages – Threshold Amount) ÷ 2)

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.

Apprentice and trainee exemption from 1 July 2025

From 1 July 2025, wages paid or payable to apprentices and trainees will be exempt from payroll tax.

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.

When lodging your return in INTRA, you will need to declare wages paid or payable to apprentices or trainees in your gross wage figures and in the relevant exempt wage field.

You can find more information here - [Payroll tax | Department of Treasury and Finance](#)

Compliance – Providing employees with the CEIS

A Casual Employee Information Statement must be provided to new casual employees before, or as soon as possible after, they have started employment.

CEIS must also be provided to casual employees at the following times during the employment relationship:

- for small business employers – after 12 months of employment
- for other employers – after 6 and 12 months of employment, and then after every 12 months of employment.

Employers can give casual employees the CEIS:

- in person
- by mail
- by email
- by emailing a link to this page of the FWO website
- by emailing a link to a copy of the CEIS available on the employer’s intranet
- by fax
- by another method.

Employers need to give casual employees the version of the CEIS that is in place when they must issue the CEIS.

- How will your HR/business know when to provide the CEIS to your employees? Will payroll need to provide a list during month end of employees who are coming up to their 6-month anniversary (for non-small business) and on their annual anniversary?

FAQ

Q. What are our obligations when pay day falls on a public holiday

With Christmas and Boxing Day falling on a Wednesday and Thursday respectively, and New Years Day also falling on a Wednesday, payroll teams should be reviewing how these public holidays might impact their regular payroll processing.

Whether you might have to move your normal pay day forward is primarily based on the obligations under any award or agreement that covers your employees.

Awards and agreements usually state how often you need to pay your employees (for example, weekly, fortnightly or monthly), but many don't actually specify on what day of the week the employee needs to be paid, or what happens when pay day is a public holiday.

Some awards however are very specific and provide details regarding your pay day obligations when there is a public holiday. For example:

Hospitality Industry (General) Award

Clause 23.2 - wages may be paid on any day of the week other than a Friday, Saturday or Sunday. However, if the employer and the majority of employees at a workplace agree, wages may be paid on the Friday of a week during which there is a public holiday.

Employers should be reviewing their awards or agreements to determine if there are any specific obligations for pay days that fall on a public holiday, and planning accordingly.

If the award or agreement doesn't stipulate, or the employee is award free, then the employer will still be meeting their pay day obligations if they are getting the frequency right.

Holiday Shutdown

Australian Payroll Association will be taking a well-earned break over the holiday season. We will be closing at 2pm Tuesday 24th December and returning Monday, the 6th of January 2025. From all of us at APA, we wish our members a Merry Christmas and a brilliant, prosperous New Year.



MEMBERS AREA



We won't be running a live webinar in the month of December; however, we would like to remind you that all webinars throughout the year are available to watch in the members resources area.