The small business wage compliance checklist

Twelve checks. About twenty minutes. Free to use and to share.

If you employ people under an award it is hard to be certain the pay is exactly right. The rules are fiddly and the rates move every year. Work down this list and you will know where you stand. Most businesses find eleven of twelve are fine and one has quietly drifted.

START HERE, WHO IS COVERED

- ☐ I know which award covers each role, not just the business.
  One business can have roles under different awards. The award follows the work.
- ☐ I know whether anyone is on an enterprise agreement instead of the award.
  An agreement is a different instrument and a different check.

THE LEVEL

- ☐ Every role is matched to a classification level by what the person actually does.
  Awards classify on duties, not on the job title. A senior-sounding title proves nothing.
- ☐ Anyone whose job has grown or changed has been re-checked since it changed.
  Quiet promotions are a common source of a level being a notch low.

THE MONEY

- ☐ I am using the rates that took effect on the most recent 1 July.
  Rates move every year at the Annual Wage Review. Last year's sheet is out of date.
- ☐ For anyone on a salary, I have compared the salary against what the award would have paid for their actual hours, within the last twelve months.
  A salary is a prepayment against the award, not a replacement for it. It does not cap what you owe.
- ☐ Allowances are at the current award figures.
  Allowances move too and are often missed when the base rate is updated.
- ☐ For casuals, the loading is right and penalties are applied the way my award requires.
  Awards differ here. Some publish all-in casual percentages and some apply the loading to the ordinary rate.
- ☐ Overtime and penalties are calculated on the correct base rate.
  An all-purpose allowance can change the base the penalties are worked from.

THE PAPERWORK

- ☐ I keep records of the hours actually worked, including for salaried staff.
  Without hours you cannot prove a salary cleared the award.
- ☐ Any annualised salary arrangement is written down and says what it covers.
- ☐ I have a dated record showing the pay was checked and by whom.
  This is the one almost nobody has. It is also the one that proves you took reasonable steps.

HOW DID YOU GO

Twelve ticks. You are in good shape. Put a reminder in for next July, because the rates will move and several of these boxes will quietly untick themselves.

One or two blanks. Normal and worth closing. The most common blanks are the salary comparison, the allowances and the dated record.

Several blanks. Also normal and not a crisis. Nothing here suggests you have done anything wrong. It usually means the pay was set correctly once and nobody has been back since.

WHY THE LAST BOX MATTERS MOST

Since 1 January 2025 deliberate underpayment is a criminal offence in Australia. Alongside that law came the Voluntary Small Business Wage Compliance Code. If you employ fewer than 15 people and you follow the Code, you are protected from criminal prosecution.

The Code does not ask you to be perfect. It asks you to make a genuine effort to get pay right, to keep up to date, to rely on accurate details, to seek advice from a reliable source, to fix a problem once you find it and to keep the proof. That last part is the dated record. It is why the twelfth box is the one worth closing first.

THE HONEST PART

Some of these boxes you can tick on your own in an afternoon. Two of them are genuinely hard. Matching a borderline role to the right classification level takes judgement. Testing a salary across a whole roster with penalties and loadings counted takes the award maths. Those are the two where businesses get it wrong while believing they are fine.

That is what a Wage Compliance Check is for. Someone with 25 years in industrial and employee relations places each role, tests the pay across the roster and gives you a straight answer plus the dated record. From $440, usually back within three business days.

Get the two hard ones done for you

carringtonworkforcerisk.com/wage-compliance-check.html

Or keep this checklist and use it yourself. It is free either way.

This checklist is general information to help you understand your obligations. It is not legal advice. Award rates change every 1 July so anything you tick today is worth re-checking after the next increase.