CUBE ACCOUNTING
Certified Practising Accountants

Hiring Your First Employee Checklist

Everything you need to have in place before your new employee starts

Legal obligations must be met before — not after — your employee starts.

1. BEFORE YOU HIRE

- ☐ Confirmed the worker is an employee, not a contractor
  The ATO has strict rules — getting it wrong means unpaid super, tax, and penalties
- ☐ Identified the correct Modern Award for the role
  Most employees are covered by a Modern Award — check at fairwork.gov.au
- ☐ Confirmed the minimum pay rate for the classification and experience level
  Underpaying — even accidentally — can result in significant back pay obligations
- ☐ Prepared an employment contract or letter of offer
  Not legally required in all cases but strongly recommended
- ☐ Checked if any industry-specific licences or checks are required
  E.g. police clearance, working with children check

2. TAX & ATO REGISTRATIONS

- ☐ Registered for PAYG Withholding with the ATO
  Required before making the first wage payment — register via ATO Business Portal or through your accountant
- ☐ Collected a completed Tax File Number (TFN) Declaration from the employee
  If not provided within 28 days, withhold tax at the top rate (47%)
- ☐ Calculated correct tax to withhold from wages
  Use the ATO's tax withheld calculator or let your payroll software handle it
- ☐ Noted if the employee has a HECS/HELP debt
  Employee must declare this on their TFN Declaration — it affects withholding

3. SUPERANNUATION

- ☐ Confirmed the employee is eligible for superannuation
  Most employees over 18 are eligible — no minimum earnings threshold applies
- ☐ Provided the employee with a Superannuation Standard Choice Form
  Employees have the right to choose their own fund — provide within 28 days of starting
- ☐ Obtained the employee's super fund details (fund name, USI, member number)
- ☐ Super payments set up at 12% of ordinary time earnings (rate from 1 July 2025)
- ☐ Payroll software configured to pay super on every payday — required from 1 July 2026 (Payday Super)
  Contributions must reach the employee's super fund within 7 business days of each payday — no longer quarterly

4. PAYROLL SETUP

- ☐ Employee added to Xero Payroll (or accounting software)
- ☐ Single Touch Payroll (STP) reporting enabled
  Mandatory for all employers — each pay run is reported to the ATO automatically
- ☐ Pay frequency confirmed (weekly, fortnightly, or monthly)
- ☐ Employee's bank account set up for direct deposit
- ☐ Obligation to provide payslips within one working day of each pay day understood
  Payslips must show gross pay, tax withheld, super, and any allowances or deductions

5. WORKCOVER WA (WORKERS' COMPENSATION INSURANCE)

- ☐ Registered with WorkCover WA for workers' compensation insurance
  Legally required in WA before your employee starts — register at workcover.wa.gov.au
- ☐ Workers' compensation policy obtained from an approved insurer
  Your insurance broker can assist — premium based on industry and wages
- ☐ Obligations understood if a workplace injury occurs

6. WORKPLACE OBLIGATIONS

- ☐ Fair Work Information Statement provided to the employee
  Legally required for all new employees — download at fairwork.gov.au
- ☐ Casual Employment Information Statement provided (if hiring a casual)
- ☐ Workplace is safe and meets WA work health and safety requirements — check at worksafe.wa.gov.au
- ☐ Leave entitlements understood (annual leave, personal/carer's leave, etc.)
  Minimum entitlements set by the National Employment Standards (NES)
- ☐ Process in place for recording and approving leave

7. RECORD KEEPING

- ☐ Employee records set up and stored securely — must be kept for 7 years
  Includes TFN declaration, contract, payslips, super records, and timesheets
- ☐ Timesheet or attendance records in place
- ☐ Payroll records stored separately from general business records

We can set up payroll in Xero and manage your ongoing obligations. Get in touch.