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**TAPS**  
The  
Association  
for Payroll  
Specialists

WHITE PAPER

# Building a culture of compliance in the Asia Pacific



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# Introduction

## Work looks nothing like it did in the past, and it's becoming increasingly complex.

The way we work today is vastly different than how we used to work five, ten years ago. The “future of work” that we used to talk about is now our reality, and with it comes a new kind of workforce: one that is fluid, borderless, and always on. Dayforce calls this the boundless workforce.

The boundless workforce offers organisations new opportunities to source talent, operate across multiple locations and time zones, drive employee retention through flexibility, and increase organisational agility. However, this also introduces new challenges that make managing workforce compliance a little more complex.

Take work flexibility, for example. More than half of the workers Dayforce surveyed in Australia and New Zealand (52%) and Singapore (58%)<sup>1</sup> in its 14th Annual Pulse of Talent research said flexibility is a job attribute they value the most. Flexibility used to only mean remote work and greater autonomy over scheduling, but now its definition has expanded into working wherever and whenever employees want, opening the doors to a truly global workplace. Not all employers can provide this, but those who do

now have to answer questions they might not have to deal with if they didn't offer the option. Questions like, “What are the tax implications if my employee works in another country for a few months?” Or “What do the work hours and pay computations look like if my employee works only four days a week?”

These are just a couple of examples of what can add to the compliance challenges of today's boundless workforce. It becomes even more complex when we factor in labour laws, changing regulations, expansion into multiple jurisdictions, variable pay, safety, and internal policies. No wonder 97% of leaders surveyed in the ANZ and Singapore<sup>2</sup> in a 2024 Dayforce study said their organisation has compliance challenges.

Managing compliance with various laws and regulations is a necessary obligation that employers must face, as well as a strategic move to help reduce risk and improve operational efficiency. While we know that the cost of non-compliance is too high to be ignored – from costly penalties, legal action, damaged brand reputation, and loss of customer trust – we must also keep in mind that effectively managing compliance has its rewards that will benefit the organisation in the long run: less exposure, financial security, and increased employee trust and loyalty. Yes, it is difficult, but a necessary and worthwhile journey.

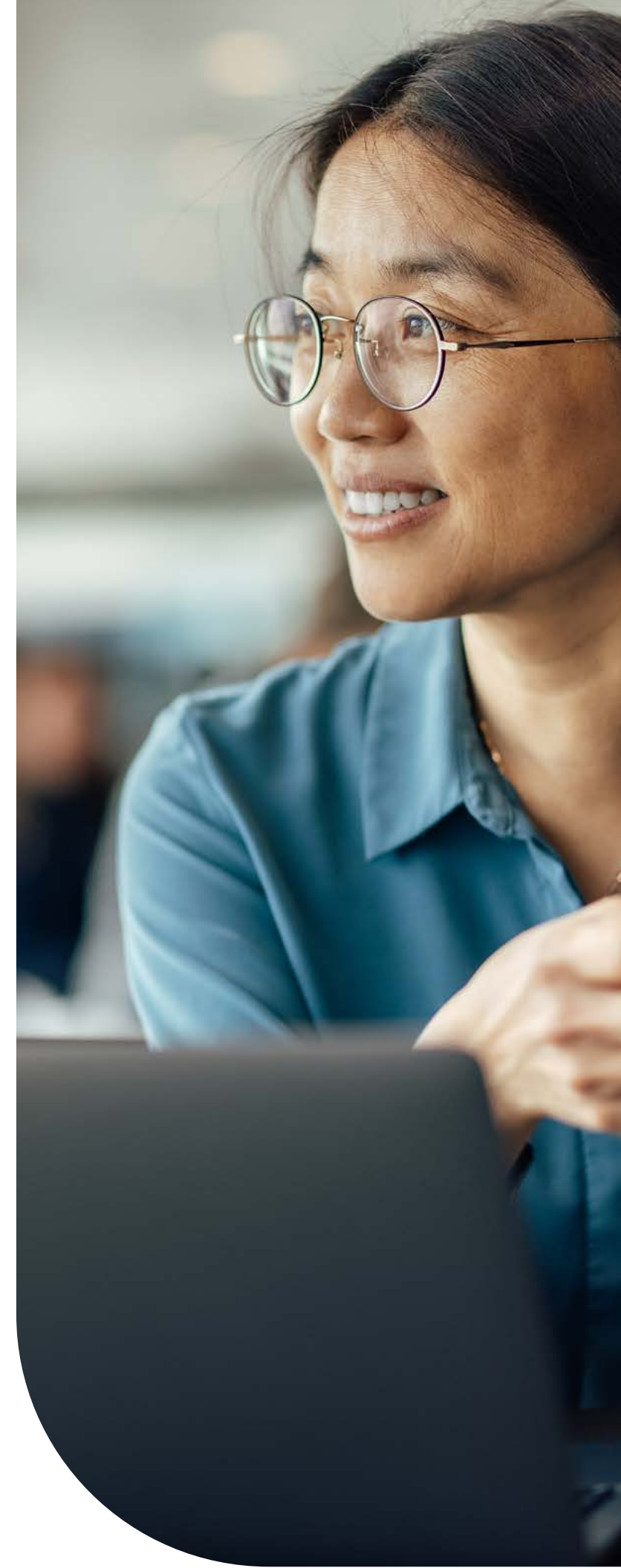
As the boundless workforce changes the landscape of work, solutions like the Dayforce platform are helping organisations navigate growing compliance complexities across multiple jurisdictions. In this whitepaper, we'll explore certain factors that can impact compliance, the intricacies of HR and payroll in Australia, New Zealand, and Singapore, and actionable steps organisations can take to adopt a holistic approach to managing compliance.



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### About TAPS

Established in 1990, The Association for Payroll Specialists (TAPS) is Australia's original association representing the payroll industry, representing over 8,500 payroll professionals. TAPS provides a number of specialised benefits necessary to assist payroll people and keep them up-to-date with Australia's unique payroll environment. Learn more at [payroll.com.au](https://payroll.com.au).



# Understanding workforce compliance complexities

The workforce complexity we face today is not going away; in fact, it is accelerating. Employers feel this increasing complexity, with more than half (55%)<sup>2</sup> of executive and manager respondents saying it's become more difficult to manage compliance over the past two years.

These complexities largely stem from changes in workforce dynamics, especially in these three areas:

## Legislation

Perhaps the biggest complexity organisations face today is the ever-changing web of regulations they must follow to continue operating. In a 2024 payroll research by Dayforce, 70% of respondents said compliance has become even more complex in the past two years, and only a quarter agreed that their payroll provider has kept up with the changing regulations.<sup>3</sup>

While laws and legislation can seem straightforward in theory, the challenge lies in interpreting these laws and how they align with internal company policies. Ensuring the entire organisation is on the

same page regarding these laws is important. However, this can be tedious and burdensome, especially if no teams are dedicated to monitoring these changes. Furthermore, not all legislative changes apply to every business. In some cases, they may not apply now but will in the future when the organisation qualifies against certain criteria, like headcount or size.

It becomes especially complicated when an organisation grows and expands into new jurisdictions. Each location will have unique laws, even if it's just in the next city or state. Expanding into a new country can mean dealing with laws in their local language, which can be challenging to interpret. Having different types of workers on the roster with different pay, tax, overtime, and benefits rules can make it very easy to make a mistake, which may result in a range of consequences that can impact the organisation's ability to continue to operate in that location.





## Technology

We have seen work go from manual, paper-based processes to systems that automate daily administrative tasks, helping increase efficiency and performance. While technology can speed up routine processes, its use can also come with compliance risks.

For example, the Australian government mandated Single Touch Payroll (STP) in 2018,<sup>4</sup> streamlining how employers report pay information to government agencies. This required payroll teams to implement STP-enabled payroll software to help ensure their reports complied with the new regulation. The roll-out involved massive efforts to update systems, do reviews, and collaborate so companies are ready once the legislation is in full effect.

But now that STP is the norm, Australians face another reason for updating their payroll technology. In 2026, Australian employers will deal with another change with Payday Super, which is likely to require employers to pay Superannuation Guarantee (SG) contributions with every pay cycle instead of quarterly.<sup>5</sup> This may not seem complicated for employers who pay wages monthly, but organisations employing workers who get paid fortnightly or weekly would have to ensure their systems are up to date and that HR and finance are working together so payments are made on time.

Artificial Intelligence (AI) is also a hot topic amongst industries nowadays, and everyone is interested in seeing how they can use AI to

increase efficiencies. While AI usage is still new for HR and payroll technology, new legislations are being enacted globally that are designed to promote the responsible and ethical usage of AI, like Singapore's Model AI Governance Framework for Generative AI<sup>6</sup> and New Zealand's strategic approach to Artificial Intelligence.<sup>7</sup>

Finally, the increased use of technology means data privacy and cybersecurity are of utmost importance, and HR and IT teams must work together to help protect employee data.

### Customer story

#### From paperwork to patient care

“We had a very strong commitment to paper,” Louise Shields, Organisational Development Manager at Lutheran Aged Care Albury, shares. “But as sector regulations evolved and relying solely on paper became risky and untenable, we know we have to change.” [Learn how Lutheran Aged Care helped reduce compliance risk through minimising manual processes.](#)

## Emerging workforce trends

As we have seen in the early part of the decade, it's hard to predict where workforce trends are going. But there are clear, emerging trends that will introduce – or have already introduced – more compliance complexity. Employers should be aware of these to be prepared for how it impacts their workforce. Here are some examples:

### Work flexibility

Flexibility, as mentioned earlier, continues to be a topic for discussion. Governments have stepped in to provide guidelines such as Singapore's Tripartite Guidelines on Flexible Work Arrangement Requests (TG-FWAR)<sup>8</sup> or update their guidelines like in Australia's 2024 Flexible Work Reforms under the Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022.<sup>9</sup> Employers need to be mindful of these guidelines to help ensure their internal policies align and to understand the implications this may have for HR and payroll.

### Hiring and operating across multiple jurisdictions

Hybrid and remote work often promise greater access to talent across borders, providing a possible solution to ongoing labour shortages worldwide. However, hiring from new jurisdictions opens organisations up to new compliance challenges, like local labour and tax laws that might not be as straightforward

as the ones in an organisation's home country. Singapore, for example, is now becoming the preferred regional headquarters of over 4,000 multinational firms because of its broader talent pool, diversified economy, and tax incentives.<sup>10</sup> Many of these organisations have business hubs and operations in nearby countries such as Malaysia, Philippines, China, Indonesia, and India, with unique regulations that employers must be mindful of to help avoid costly financial penalties and increased risk.

### Contingent work

While casual work is not new for Australia, other regions in the Asia Pacific are catching up. More than 70% of surveyed organisations in ANZ and Singapore use contingent workers assigned to a specific role, project, or gig without being hired as an employee.<sup>2</sup> This often offers employers greater flexibility, agility, and cost savings while meeting business goals. However, this can also mean more compliance challenges, especially in tracking time and payroll.

### Employee well-being

At a time when burnout is rampant, and labour shortage rates continue to rise, employee well-being is often fundamental to attracting and retaining top talent. Employee well-being has evolved from organising engagement activities and free pizzas to supporting workers' professional and personal lives. Part of this

is financial wellness, and many organisations are looking at on-demand pay that allows employees to get paid after every shift they work to address this. While there are many advantages to offering on-demand pay, such as increased motivation, productivity, and loyalty, it also has implications for managing payroll compliance.





# APAC's regulatory landscape

## Australia

Australia is known to have one of the most complex employment law systems in the world, with a particularly high complexity rating for HR and Payroll in TMF Group's 2024 Global Business Complexity Index.<sup>11</sup> The complexity can be attributed to Australia's multi-layered workplace law framework of the Fair Work Act 2009 (Commonwealth) (which includes the National Employment Standards), modern awards, enterprise bargaining agreements and state laws. There are often times when these industrial instruments can intersect, which may lead to conflicting provisions

### Simple mistakes, costly penalties

It's very easy to make a simple mistake because of Australia's complex legislation, and the penalties for these mistakes can be quite costly. In 2023, the Department of Employment and Workplace Relations accidentally underpaid 99 staff of around AU\$60,000 because of an overtime calculation error from July 2022 to August 2023.<sup>12</sup> The department self-reported to the Fair Work Ombudsman, spending AU\$200,000 on legal and data costs to rectify the issue, more than three times the amount underpaid!

Australian organisations face more complexity with the biggest amendment to the Fair Work Act that aims to close gaps undermining workers' pay and conditions. The Fair Work Legislation Amendment (Closing Loopholes) Bill detailed reforms in the definition of casual employment, labour hire pay conditions, increased workplace protections for independent contractors and gig workers, preventing unpaid overtime through a right-to-disconnect law, and criminalisation of intentional wage theft and wage exploitation.<sup>13</sup>

Starting 1 January 2025, intentional wage underpayments can be a criminal offence. According to the Fair Work Ombudsman, an employer may be penalised if they are found to deliberately not pay wages or entitlements owed to the employees on the date they are due. Businesses suspected of an offence may face prosecution, which can result in significant fines, prison time, or both.<sup>14</sup>

## Customer story

### Navigating the challenges of retail workforce management

Australia's very complex rules for rostering and paying employees vary depending on the job being performed, and it's important to accurately calculate and pay employees based on the rules that apply to each employee. [Learn how Harris Farm Markets help navigate this complicated labour environment with cloud HCM software.](#)





## New Zealand

Compared to its neighbouring country, New Zealand ranked lower in the Global Business Complexity Index,<sup>11</sup> but this doesn't mean they don't face complex legislative changes. One of the hot topics in the past years among New Zealand businesses is the Holidays Act 2003. The Act applies to all employees working in New Zealand to promote balance between work and other aspects of employees' lives by providing a framework for leave entitlements, including annual holidays, alternate holidays, sick leaves, bereavement leave, and family violence leave.

The Act's purpose is clear, but it was made with full-time employees who work 9 to 5, five days a week, with annual salaries in mind. While this type of worker may have been the norm when the Act came into effect, today's workforce has evolved dramatically in the past two decades, and the Act's requirements are less clear for those who work variable hours. This has caused thousands of dollars of remediations by organisations.<sup>15</sup>

The Ministry of Business, Innovation, and Employment (MBIE) has promised to overhaul the Act to help make it easier for employers to comply with its requirements. The Holidays Act Task Force made 22 recommendations<sup>16</sup> in 2019 that include changes to how holiday leave payments and annual deductions are calculated, how employees can take annual leaves in advance, eligibility for Family Violence,

Bereavement, Alternative, Public Holidays, and Sick (FBAPS) leaves, and guidelines for Pay-as-you-go (PAYG). The government accepted these in 2021, intending to have a new law in place soon, but the targeted consultation on the draft bill received feedback that brings officials back to the drawing board to change the direction of the reform.<sup>17</sup>

While New Zealand employers are waiting for the reforms, they must continue complying with this current, complex version of the Act.

## Singapore

Singapore is often recognised as the gateway to Asia, with its favourable taxation policies and strategic position that offers investors competitive access to the Asian market. While managing compliance can be relatively straightforward in Singapore due to its well-structured and transparent legal framework, organisations still need to be aware of some nuances depending on what kind of service they provide.

For example, the Employment Act sets out the rights and duties of an employee under a contract of service with an employer. However, not all types of employees are covered by the Act, as different regulations apply to government employees, seamen, domestic workers, and in some instances executive positions.<sup>18</sup> Singapore also employs many foreign workers, so there are different rules set for them.<sup>19</sup>

The Platform Workers Act officially came into force on 1 January 2025, which provides essential rights and protections for platform workers and operators or those who facilitate services like ride-hailing or delivery through digital platforms.<sup>20</sup> With this Act, platform workers will now have Central Provident Fund (CPF) contributions from their employer, work injury compensation insurance, detailed records of their earnings, and the ability to form associations or unions to bargain with platform operators collectively. This means that platform operators should be prepared to understand their new compliance obligations, update policies, train their internal teams, and get ready to engage in dialogue with labour relations to help reduce the risk of getting fined.

# Building a culture of compliance

Managing compliance with various laws and regulations is complex, and if the past years have been any indication, this complexity will only continue. But it's easy to think of managing compliance simply as a box that needs to be checked, another task added to the never-ending list for leaders to do. To build a culture of compliance, it needs to be seen in a different light.

Effectively managing compliance can help ensure the safety of an organisation's most important asset – its people. While most surveyed employees (86%) in Australia, New Zealand, and Singapore are pretty confident that their organisation follows labour laws and regulations, only 67% think that they'd be transparent about compliance breaches.<sup>2</sup> This shows that employees are cautious about truly trusting their employers, and this distrust can affect their productivity and motivation.

So, to better manage compliance, organisations should see it as a means to achieve broader business outcomes. It's not just about complying with laws and regulations but about treating employees fairly, helping ensure their safety, and trying to remove the risks around them so they can do the work they are meant to do.

## Customer story

### Open opportunities for transformation by tackling compliance

Emerging from the pandemic, Uniting NSW.ACT embarked on its bold, 10-year strategy to “Disrupt entrenched disadvantage to create a better future for more people and communities.” To achieve this, they needed to turn their attention inward and make work life better for their frontline employees so they could focus on holding a hand, not a pen. [Listen to how Uniting NSW.ACT used managing compliance as a driver for organisational transformation.](#)



Thriving in this new world of work with the boundless workforce means employers should adopt a holistic view of managing compliance for their organisation. Here are some key actions an organisation can take to try to help build a culture of compliance:

### **1. Ensure leadership commitment and training**

Leaders play a critical role in an organisation's compliance culture by owning the strategy and setting the tone for the organisation. Training them on the latest regulatory changes can help them be an effective model of promoting compliance, demonstrate commitment, and be accessible should compliance issues arise to help motivate employees to take managing compliance seriously.

### **2. Education, communication, and collaboration**

Managing compliance with laws and regulations is not just important for payroll and HR but for the whole organisation. Invest in training different teams on updates to keep them informed and aware of changes and train managers to recognise risks before they become an issue. Encourage communication and collaboration across different departments to better understand and manage compliance.

### **3. Strategically streamline data and systems**

Nearly all (93%) of executives surveyed in Australia, New Zealand, and Singapore approve of investing in technology that helps make compliance easier to manage.<sup>2</sup> It can be hard to know where you stand when you rely on manual processes and disjointed systems that don't show the full picture of the business. Identify areas where technology can help streamline operations and focus on adopting solutions that don't just solve one issue but consider the broader compliance requirements applicable to your organisation.

### **4. Establish a compliance framework**

It's easy to think that having the latest workforce technology can help ensure compliance with all regulations. Still, even the most advanced solutions can produce incorrect calculations if a staff member inadvertently enters incorrect information or misunderstands awards and regulations that cover employees. On top of implementing technology to help manage compliance, organisations should evaluate their current processes so they can develop policies, collect feedback, and hold individuals accountable for their roles. Engaging and partnering with local professionals to run audits or assist in interpreting laws may be helpful.

### **5. Be ready for change**

Change is constant, and maintaining compliance is about managing applicable legal changes that affect an organisation. Having a change-ready mindset helps employers take a proactive approach to navigating the complex regulatory landscape, so they can better operate with confidence, realise their people potential, and unlock more value.



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Dayforce makes work life better. Everything we do as a global leader in HCM technology is focused on improving work for thousands of customers and millions of employees around the world. Our single, global people platform for HR, payroll, talent, and workforce management equips Dayforce customers to unlock their full workforce potential and operate with confidence. To learn how Dayforce helps create quantifiable value for organisations of all sizes and industries, visit [dayforce.com](https://dayforce.com).

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