

Work Types & Implications FAQS



Permanent Employment

Independent Contractor

On-hired Employment

Working in Australia

Australia has a highly regulated employment system with a complex framework of requirements which differ between occupations and industries, and in some respects, between states and territories.

Australia's industrial relations landscape has changed the 'contracting' arrangements traditionally used when engaging engineers and technical professionals for projects or specific term assignments.

An overview

We are often asked the following questions;

- > Do you employ independent contractors?
- > Why does my contract refer to me as an on-hired casual or maximum term employee?
- > What are my obligations as an independent contractor?
- > Do I have leave entitlements?
- > How does casual loading work?

The answers to these questions often interrelate, so we have provided an overview of work types and their implications to assist you and keep you informed of the latest developments.

Work Types

Permanent employment

Permanent employment (be it full-time or part-time) is generally understood, but as a reminder it is characterised by ongoing employment that includes the following:

- > Annual salary plus employer Superannuation contributions and any other benefits offered by the employer.
- > Overtime payment may be applicable depending on the Award and/or salary arrangements.
- > Notice period of 1 to 5 weeks dependent on length of continuous employment as per the National Employment Standards (can be longer on agreement).
- > Paid annual leave, personal/carer's leave and compassionate leave and public holidays as per the National Employment Standards and accrual of long service leave.
- > Redundancy or termination – appropriate notice periods must be given and the employee paid out for all accrued annual leave, any long service leave and any redundancy entitlements.

Independent contractor

As has been established through a significant amount of Common Law, many people engaged in traditional independent contracting arrangements are now considered employees. In fact, as the legislation can be difficult to navigate and pose significant employment risks, many employers and recruitment companies, including Bayside Group, rarely engage professionals as independent contractors.

Why? The difference between an employee and an independent contractor depends on many factors. No single defining factor will determine a worker's status. Rather the 'multi-factor' test will generally be applied by the Courts and Authorities when determining the true nature of the relationship.

Work Types

Some of the possible indicators that a person may be an independent contractor include, but aren't limited to:

- > Independent contractors will exert a high degree of control over how the work will be performed
- > Independent contractors are usually engaged for a specific task or project and will decide what hours of work are required to complete the task/project.
- > Independent contractors wear the cost of delay if they don't meet agreed deadlines.
- > Independent contractors operate under an ABN, are responsible for paying PAYG and other taxes and will submit invoices for work completed or at the end of the project/contract.
- > Independent contractors will provide their own tools and equipment as compared to employees who will either have tools provided by the employer, or alternatively receive a tool allowance.
- > Independent contractors are not entitled to paid leave entitlements.
- > Independent contractors will pay their own insurances and indemnity policies, and other business expenses.

However, the majority of engineering project work is more formalised – those on specific term assignments typically work set or standard hours, use company equipment, have an expectation of ongoing work for a period of time, and take direction from the Project Manager and/or team members.

For those working through a recruitment agency or employer, they will generally prefer to have PAYG tax paid on their behalf. As a result, most assignments are now undertaken on on-hired employment arrangements.

On-hired Employment – Casual & Maximum Term

Bayside Group employs engineering and technical professionals on On-hired Casual or Maximum Term employment arrangements.

In this arrangement, Bayside Group is your employer, managing payroll and associated statutory obligations, Superannuation payments and insurances (Professional Indemnity, Public Liability and WorkCover). We then on-hire you to the host employer, our Client.

Please note, that it is generally the client requirements that determine the type of employment Bayside Group is able to offer.

Work Types

What is the difference between casual and maximum term on-hired employment?

	On-hired Casual	On-hired Maximum Term
Definition	<p>No firm commitment in advance about length of employment, or the days or hours to be worked. The employee is not obligated to commit to all work Bayside Group offers.</p> <p>However, many of our casual assignments result in significant durations of employment, which could allow you to request a conversion to permanent employment as detailed in applicable Awards.</p>	<p>Length of employment is for a stated period; ends on a stated date.</p> <p>This contract may be terminated earlier if either party provides appropriate notice.</p>
Payment	Paid an hourly rate for every hour worked. Overtime may be applicable depending on the Award.	Paid a salary. Overtime may be applicable depending on the Award.
Notice Period	Bayside Group's contract states one day. Notice period can be longer by agreement.	1-5 weeks dependent on length of continuous service as per the National Employment Standards, but can be longer by agreement
Leave Entitlements or Casual Loading	<p>25% casual loading for majority of Awards. This loading is compensation for paid annual leave, personal/carer's leave, compassionate leave, public holidays and other attributes of permanent employment.</p> <p>This loading does not remove your entitlement to take said leave when it falls due. Bayside Group encourages a work-life balance for all.</p>	No casual loading - same leave entitlements pro rata as a permanent employee. This is essentially permanent full-time or part-time but only for the duration of the specified term.

If you still have questions, give us a call during office hours:

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