

EMPLOYMENT CONTRACT BASICS

WHAT SHOULD I LOOK FOR IN AN EMPLOYMENT CONTRACT?

The terms of your employment may be set out in a contract or a letter. Here are some things to look out for:



It's important to know whether an **award** (such as the "General Retail Industry Award") or an **enterprise agreement** applies to your employment. If it does, you may have additional entitlements on top of the ones in the National Employment Standards (**NES**) and it will cover specific issues about your employment, such as pay and hours.

Make sure your contract clearly states your **rate of pay**, including any penalty rates or shift loadings (eg being paid more at night or on weekends). It should say whether the pay rate is per hour, week, month or year. It should also tell you whether you will be paid weekly, fortnightly or monthly, and it should let you know how much **superannuation** you will be paid (either included in the pay rate or in addition to the pay rate). The minimum superannuation contribution is currently 9.5% of your base income, but will go up in 2021.



Your contract should state your **position** and whether you are a **full-time, part-time** or **casual** worker. If you are full-time or part-time, it should tell you **when** you need to work (eg 9am until 5pm, Monday to Friday), **how many hours** you are expected to work per week, and your entitlements to **leave** (eg annual leave, sick leave and parental leave).

Is there a **notice period** which means you or your employer need to give a certain amount of notice before ending your employment? Will there be any **restraints** on you after you finish working there (eg not being allowed to work for a competitor for a set period of time)?



Is there a **probation** period that you have to pass before you become a permanent employee? Is your employment **permanent** (with no reason to expect it to end) or is it **fixed term** (ending on a particular date)? If it's fixed term, you cannot claim unfair dismissal or redundancy pay-outs when your employment ends as expected.

Are there any **pre-conditions** to employment? For example, employment contracts sometimes say that you must have the right to work in Australia – this would involve having the correct **visa** which allows you to work in Australia, or being a permanent resident.



SAMPLE EMPLOYMENT CONTRACT

1. POSITION

1.1 You will be employed by Green Company in the position of **Team Assistant**.

Your role / position is "Team Assistant"

1.2 You will be employed on a **permanent full-time basis** (subject to probation in clause 3).

You will be employed as a full-time worker (on an ongoing basis if you pass probation)

1.3 Your start date will be **1 December 2020**.

You will be employed from this date onwards

2. TERMS OF EMPLOYMENT

2.1 The terms of your employment are contained in the **Green Company Enterprise Agreement 2019** and the National Employment Standards ("NES") in the *Fair Work Act 2009* (Cth).

This enterprise agreement applies to you – it contains specific terms of your employment

2.2 It is a pre-condition to your employment that you have the **right to work in Australia** and can provide evidence of this.

You need to be allowed to work in Australia – check any visa conditions

3. PROBATION

3.1 You will be on a **probation period for the first six months** of your employment.

Your probation period will last 6 months – your employment can end with only 1 week's written notice during the probation period

3.2 Green Company will use the probation period to assess your suitability for the position. During this period, either you or Green Company may end your employment by providing **1 week's written notice**.

4. REMUNERATION

4.1 You will be paid an **annual salary package of \$38,000 (gross)**. You will be paid **monthly** into your nominated bank account.

You will get paid:
\$38,000 per year before tax
including superannuation

4.2 Your salary package includes your **base pay and superannuation**. Green Company will make superannuation payments on your behalf.

You will receive your pay each month

5. HOURS OF WORK AND OVERTIME

5.1 Your ordinary hours of work will be **38 hours per week, from 9:00am until 5:00pm Monday to Friday**, plus any reasonable additional hours as required by Green Company from time to time.

You will need to work 38 hours per week, during 9am – 5pm on weekdays

5.2 Any hours worked over 38 hours each week will count as overtime, and will be paid at a rate that is 1.5 times your regular hourly rate.

This is a penalty rate – you will be paid at 1.5 times your normal pay for any hours over 38 hours in a week

6. LEAVE

6.1 You are entitled to annual leave, personal/carer's leave, parental leave, community service leave and long service leave in accordance with the Green Company Enterprise Agreement 2019.

You are entitled to these types of leave – check your enterprise agreement for more detail

7. DUTIES

7.1 Your duties are set out in the attached Position Description. You will be required to perform these duties to the best of your ability.

Check the Position Description (which will be a separate document) for your required duties

7.2 You will be required to perform your duties at Green Company's Marrickville Branch (20 Work Street, Marrickville, Sydney NSW) or in other locations as Green Company may reasonably direct from time to time.

Your ordinary place of work is the Marrickville Branch

7.3 You will be required to follow all reasonable and lawful directions given to you by Green Company. This includes complying with Green Company's policies and procedures.

You must comply with all policies and procedures – ask to read these before you sign the contract

8. CONFIDENTIALITY

8.1 During your employment, you will have access to Green Company's confidential information. You must keep this information confidential and must not disclose this information outside of Green Company.

You must respect any confidential information that you come across in your employment

9. TERMINATION AND RESTRAINT

9.1 If either you or Green Company wishes to terminate your employment, then (subject to probation in clause 3) this may be done by providing 4 weeks' written notice.

You need to give 4 weeks' notice in writing if you want to quit – and Green Company needs to give you the same if they want to end your employment

9.2 Once your employment is terminated, you will be restrained from working for any competitor of Green Company, or taking any of Green Company's clients or employees with you, for a period of six months.

This is a restraint clause – for 6 months after you finish working at Green Company, you are not allowed to work for a competitor or take any colleagues with you

The information provided in this factsheet is for information only. It must not be relied on as legal advice. You should seek legal advice about your own situation.