

**NOTE: Persons engaging contractor services may still be liable for superannuation**

<b>Features of relationship</b>	<b>Employee (contract of service)</b>	<b>Contractor (contract for services)</b>
<b>Expenses</b>	An employee is generally reimbursed for expenses incurred in the course of employment.	An independent contractor is responsible for their own expenses.
<b>Appointment</b>	An employee is generally recruited through an advertisement by the employer.	An independent contractor is likely to advertise their services to the public at large.
<b>Termination</b>	An employer reserves the right to dismiss an employee at any time (subject to any state or federal laws).	An independent contractor is contracted to complete a set task. The payer may only terminate the contract without penalty where the worker has not fulfilled the conditions of the contract. The contract will usually contain terms dealing with defaults made by either party.
<b>Delegation</b>	An employee has no inherent right to delegate tasks to another. However, there may be a power to delegate some duties to other employees.	An independent contractor may delegate all or some of the tasks to another person and may employ other persons.
<b>Equipment</b>	Plant and equipment is usually provided by the employer.	The contract usually specifies who is to provide the plant and equipment. This is usually the responsibility of the contractor.
<b>Scheduling of work</b>	An employer determines or controls the time frame within which the work is to be performed.	The work would be performed in accordance with agreed schedules and consistent with the obligations under the contract.
<b>Expectation of work</b>	An employee usually has an ongoing expectation of work.	A contractor is usually engaged for a specific task.
<b>Method of payment</b>	An employer usually pays an employee according to an award or employment agreement.	A contractor usually invoices the person who engages them for their services.
<b>Taxation</b>	An employee pays PAYG tax which the employer pays on behalf of the employee.	A contractor usually deals with her/his own tax.
<b>Relationship to the business</b>	An employee is usually an integral part of the employer's business.	A contractor's work is usually an accessory to the business.
<b>Ability to accept other work</b>	A full-time employee is usually restricted to work for the one employer during normal business hours.	A contractor can accept as many contracts as they wish.
<b>Right to refuse work</b>	An employee does not have the right to continually refuse a reasonable task.	A contractor usually agrees to the tasks beforehand. The contract governs the tasks that must be performed.