

Good employees can be a business' greatest asset. As an employer you have certain obligations to your staff, and different categories of employment involve various rights and duties.

When an employee accepts a specific offer of employment either in writing or verbally, a contract of employment is established. Under this contract, both the employer and employee have certain rights and obligations. Whilst these may be specified in a written agreement (express terms), many basic duties are self-evident (implied).

The Employment Decision

When making the employment decision, you should ask yourself these questions:

- What type of help do you need?
- How many hours per week?
- Is the work short-term or ongoing?
- Will the person be employed full-time, part-time or on a casual basis?
- Could you use the services of a professional employment agency or contract out the work?
- What will it cost to employ and can you afford to employ? (Don't forget the additional costs like training, workers' compensation, superannuation, etc)
- How will you go about the recruitment process (advertising, interviewing and selecting the right applicant)?

Recruitment

Once you have decided to employ, you should prepare a

Job Description (outlining the title of the job and the main duties) and **Selection Criteria** (listing the qualifications, skills and experience required).

You can advertise your job vacancy in the newspaper, informally through word-of-mouth, by posting a notice on a public notice board, by registering with the Job Network or a specialist employment agency, or even listing your vacancy on the internet.

Once applications have been received, select those candidates who you think are likely to meet your requirements and arrange an interview. Plan your questions in advance, and ensure they relate to the job description and selection criteria, and are not discriminatory. It is often helpful to invite another person to sit in at the interview, to offer a second opinion.

Once you have made your decision, make the offer of employment (usually by phone) and confirm your offer in writing. Advise the unsuccessful applicants as soon as possible.

NOTE: It is important that you understand your obligation to avoid discrimination during the recruitment process. Anti-discrimination provisions contained in the *Workplace Relations Act 2001* specify that you must not discriminate on the grounds of: race, colour, descent, national or ethnic origin, immigrant status, sex, age, marital status, pregnancy or potential pregnancy, family responsibilities, disability, religion or political opinion.

The Employment Agreement:

There are three (3) main approaches to determining wages and conditions of employment:

An Award is a binding, legal document relating to minimum wages and conditions of employment. The Northern Territory does not have its own Industrial jurisdiction so Federal Awards cover most employees. Many of the Awards in the Northern Territory have been “common ruled” which means that they have legal coverage over conditions of employment whether the employer is named as a respondent or not.

A Certified Agreement (CA) is a written agreement about working conditions and wages made between an employer and a group of employees, or an employer and a union. CAs are lodged with and certified by the Australian Industrial Relations Commission.

An Australian Workplace Agreement (AWA) is a written, individual agreement between an employer and a worker about the employee’s terms and conditions of employment. AWAs must be lodged with the Office of the Employment Advocate.

Your Legal Obligations:

As an employer, you have legal obligations to:

- Register with the Australian Taxation Office. When you employ staff, you are required to register as a Group Employer with the ATO. You must then collect Employment Declaration forms from each employee, deduct the correct amount of tax from employees’ wages, and remit the tax to the ATO. At the end of financial year, you must issue Group Certificates to your employees.
Pay wages. A basic obligation is that wages are paid in return for work. You will need to comply with any Federal Award.
- Keep good employment records. You must maintain proper time, wage and taxation records, and you should issue pay slips to your employees. These records must be kept for five years after the employment is terminated.
- Comply with occupational health and safety requirements. As an employer, you have a duty of care to provide a healthy and safe workplace for your staff. You are also required by law to put in place workers’ compensation insurance.
- Clarify employment terms and conditions. Make sure your employees understand their job classification, working hours, pay arrangements, superannuation entitlements, notice periods for termination of employment, as well as any specific workplace rules and procedures.

Pay superannuation. Under the Superannuation Guarantee legislation, employers are obliged to pay superannuation contributions for their employees, usually as a percentage of the employees’ wage or salary.

What about my employees?

As an employer, you have the right to expect that your staff will comply with the agreed terms and conditions of employment.

- **Obedience.** An employee must follow “reasonable and lawful instructions” of an employer, within the scope of the employment contract.
- **Good faith.** Employees have a duty to act in good faith towards their employer, and must not intentionally harm the employer’s interests or business.
Confidentiality. An employee must not use information received on the job in any way that may damage the employer.
- **Skill and care.** Employees must exercise an appropriate level of skill and due care when on the job.
Duty to pass on money received. An employee must pass on money received in their role as an employee, unless the employer agrees the worker can keep it (eg, tips received in hospitality industry).

Termination of Employment

Most awards and many agreements contain provisions relating to the termination of employment. Federal legislation (*Workplace Relations Act 2001*) also sets out requirements for employers and specifies the minimum period of notice (or level of payment in lieu) which must be given when terminating staff.

Need more information?

Australian Industrial Relations Commission	(08) 8936 2800 www.airc.gov.au
Australian Taxation Office (Employment Issues)	13 28 66
Australian Taxation Office (Superannuation Helpline)	13 10 20 www.ato.gov.au
Department of Employment, Workplace Relations and Small Business (Wageline)	1300 363 264 www.wagenet.gov.au
Human Rights and Equal Opportunity Commission	1300 369 711 www.hreoc.gov.au
Northern Territory Anti-Discrimination Commission	1800 813 846 – 8999 1444 www.nt.gov.au/justice.adc
Northern Territory Office of the Commissioner for Public Employment	(08) 8999 5511 www.nt.gov.au/ocpe
Office of the Employment Advocate	1300 366 632 – (08) 8306 8648 www.oea.gov.au
NT Work Safe	(08) 8999 5010 1800 019 115 www.nt.gov.au/deet/worksafe

For more information refer to other Fast Facts in this series or contact the Territory Business Centre on the numbers below or visit the TBC website

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