

Key features	Employee indicators	Contractor indicator
1. Control	An employer generally has a right to exercise control over the type of work an employee performs, how that work is performed and where it is performed.	A contractor generally has a high level of discretion in relation to how they perform work.
2. Does the worker carry on their own business?	An employee generally works within an employer's business (i.e., the employee does not carry on their own business).	A contractor generally carries on their own business (i.e., they work for themselves).
3. Is the contract for a result?	The substance of the work agreement generally involves an employee being paid for their labour. It does not involve an employee achieving a specified result for an employer.	The substance of the work agreement generally involves a contractor achieving a specified result for a principal.
4. Basis of remuneration	An employee's remuneration is generally calculated by reference to an hourly rate, piece rate or award rate.	A contractor's remuneration is generally based upon performance of the contract (e.g., successfully completing a particular task, or series of tasks).
5. Power to delegate and sub-contract	An employee is generally required to perform work themselves. They cannot delegate or sub-contract work to others.	A contractor generally has the power to delegate or sub-contract work to others.
6. Risk	An employee generally bears little or no commercial risk. In other words, an employer generally bears all commercial risk, and is responsible for any losses arising from the employee's poor workmanship or negligence.	A contractor generally bears the commercial risk and responsibility for any poor workmanship or injury sustained in their performance of work. A contractor generally carries their own insurance policy to cover such risks.
7. Assets, tools and equipment	An employee generally uses assets, tools and equipment belonging to their employer.	A contractor generally provides their own assets, tools and equipment.
8. Business expenses	Business expenses and other overheads are generally incurred by an employer, not an employee.	A contractor generally incurs their own business expenses and other overheads.

9. Expense reimbursement	An employee is generally reimbursed (or receives an allowance) for expenses they incur in the course of their employment.	A contractor generally incurs their own out-of-pocket costs when performing work.
10. Appointment	An employee is generally recruited through an advertisement placed by an employer or via an employment agency.	A contractor is generally engaged because of their advertisements of services to the public at large, or as a result of a successful tender application.
11. Termination	An employer reserves the right to dismiss an employee at any time (subject to State or Federal laws).	A contractor is contracted to complete a set task. Penalties may apply for early termination of the contract.
12. Right to exclusive services	An employer generally has the right to the exclusive services of an employee.	A principal generally does not have the rights to the exclusive services of a contractor.
13. Leave entitlements	An employee generally has annual, long service and sick leave entitlements.	A contractor generally does not have any annual, long service or sick leave entitlements
14. Uniform	For an employer with staff uniform, an employee is generally required to wear that uniform.	A contractor generally does not have to wear staff uniform.
<p>All features should be considered as a whole If some of these features point to a contract of service (i.e., an employment relationship), while others point to a contract for services (i.e., a principal and contractor relationship), then all of these features should be considered as a whole when determining, on balance, the type of relationship that applies to the arrangement. No single feature will be determinative in these circumstances.</p>		