



Landcare Notes

Selecting a method of employment

If you need to employ staff, it's important to work out what method of employment best suits your needs and resources. Your choice should balance the need to provide a safe, satisfactory work environment for the person you employ as well as providing the appropriate system for your group.

This Landcare Note outlines the things you need to consider when deciding the best way of employing someone who is working for your group.

What works for you and the employee

This Landcare Note looks at the different types of employment arrangements available so you can choose the method that best suits your group and the person you want to employ.

There are four options of employment that might be available to you:

- An employment agency
- A co-operative arrangement with a public agency (such as your Local Government Authority or Catchment Management Authority) to act as employer on your behalf
- Direct employment by you or your network
- A service contract for the specific task.

Each of these options has advantages and disadvantages. You need to consider what each option involves to help you choose the most appropriate arrangement for your situation.

How to do it

Option 1: Using an employment agency as the employer

The advantage of using an employment agency is the agency must meet the employer responsibilities such as taxation, WorkCover, superannuation and insurance. For this responsibility, the agency will charge you a management fee.

The process is generally as follows:

- The agency will handle the process of selecting potential employees, although in some cases, you could select the candidate.
- The agency employs the person on your behalf.
- A contract is set up between you and the agency, dealing with job requirements and associated conditions of service.

A contract is prepared by the agency outlining conditions of work and pay between the agency and the employee.

With regards to payment, you will pay the agency. The agency then pays the employee a regular wage, taking care of deductions for tax, WorkCover and superannuation.

The agency invoices you after each payment period, and that invoice will include their management fee. You then pay the agency for those services.

Option 2: Where another organisation/ agency is the employer

Some agencies such as local governments and Catchment Management Authorities are willing to employ staff on behalf of groups like yours. The process will vary between agencies so it's best to contact the agency and discuss the options.

Your proposal is more likely to be supported if the agency also benefits from the arrangement.



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Option 3: You as direct employer

A Landcare group or network must have a sound professional structure which operates efficiently for this option to work well.

The advantages of employing the person directly are that it can minimise your costs and reduce your dependence on third parties. The disadvantages include the increased time, responsibility and diligence involved in meeting all your obligations as an employer which includes paying tax, WorkCover, superannuation and insurance payments.

You will need a contract to clarify the employment process, state all work conditions as per the job description and specify the length of employment according to the funding available. The contract will also need to cover all reporting and review systems, dispute settling procedures and termination requirements. Landcare Note 10.1: Employing Staff provides more information on these requirements.

Income tax

You must talk to the Australian Taxation Office (ATO) to get full details on the current taxation requirements for your situation. The ATO website (see below) also includes information specifically for non-profit organisations. See also Landcare Note 4.5: GST and ABN.

WorkCover

Currently if you are paying someone a salary of more than \$7500 per year, or if you are employing apprentices or trainees, you will need a WorkSafe insurance policy. Contact the WorkCover Advisory Service on 1800 136 089 or check the website (see below).

Superannuation

If you are paying someone a salary of more than \$450 per month, you will also be responsible for paying superannuation. Contact the ATO Superannuation Helpline on 13 10 20 for advice on your obligations and the procedure involved.

Insurance

If you do become an employer, you will need to review your insurance cover. Professional indemnity insurance may be needed if the employee is acting as a coordinator, facilitator or adviser (see Landcare Note 7.3: Insurance for Landcare groups).

Payment procedure

Whatever regular payment period is agreed on and specified in the employment contract, you must pay the full amount at the agreed time and in the agreed way.

If you are paying by cheque and two signatures are needed, you must develop an arrangement that allows the cheque to be sent at the agreed time.

Any payment is usually made when you have received the employee's time and expenses sheet.

Option 4: Using a service contractor

If you're planning to use a self-employed contractor, that person must be fully aware that you expect them to arrange their own taxation, WorkCover, superannuation and appropriate insurance cover.

A detailed contract will be needed to specify the roles and responsibilities of both parties. It will need to cover such things as duties, remuneration levels, travel expenses, the equipment required, reporting responsibilities and any costs associated with administration.

The self-employed contractor should present you with a regular invoice for time and expenses, and again, you need to ensure they are paid promptly after you have received that invoice.

The contractor also needs to be aware of their obligations regarding GST, reporting to the ATO and creating invoices.

Comparing the options

The following table is adapted from the Statewide Landcare Coordination Team



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(2004a) booklet (see appendix). This is a useful resource with detailed information that explains about employing support people on a medium-term basis.

Further references

Victorian Landcare gateway:

www.landcarevic.org.au

Statewide Landcare Coordination Team 2009 –
Employment Guidelines and Toolkit:

<http://www.landcarevic.org.au>

ATO (2010) – *Non-Profit Organisations –
Induction Package For Non-Profit
Administrators:*

<https://www.ato.gov.au/Non-profit/Getting-started/In-detail/Induction-package/Induction-package-for-not-for-profit-administrators/>

ATO (2010) – *Superannuation:*

<http://www.ato.gov.au/super/>

WorkCover (2010) – *Employer Rights and
Responsibilities:*

<http://www.worksafe.vic.gov.au/wps/wcm/connect/wsinternet/WorkSafe/Home/Laws+and+Regulations/Employer+Rights+and+Responsibilities/>

Related Landcare Notes

This Landcare Note is one of a series. These notes provide an excellent guide for the ongoing operation of your group.

Landcare Note 4.5: GST and ABN

Landcare Note 7.3: Insurance for Landcare groups

Landcare Note 10.1: Employing Staff

Acknowledgements

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Compiled by the Port Phillip and Westernport
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Appendix

Method	Potential Strengths	Potential Weaknesses
1. Employment agency	<ul style="list-style-type: none"> • Minimal administration required from your group • Standardised conditions • Employment policies in place 	<ul style="list-style-type: none"> • Higher cost per hour
2. LGA or CMA	<ul style="list-style-type: none"> • Regional coordination and flexibility • Minimal administration required you're your group • Team approach • Balance between community and investor • Key stakeholder involvement and ownership 	<ul style="list-style-type: none"> • Regional priorities may reduce local focus • May be one step removed from your group
3. Your group as the employer	<ul style="list-style-type: none"> • High level of community ownership • Responsive to local needs • Maintains strong links with you • Less politics • Independent voice 	<ul style="list-style-type: none"> • Limited professional development • Disparity in conditions • Administrative burden on your group • Potential for many masters • Isolation for the employee
4. Service contract	<ul style="list-style-type: none"> • Low administration • Less politics • Independent voice 	<ul style="list-style-type: none"> • Limited influence of standards and conditions • Isolation for the contractor • More responsibility for the contractor as self-employed