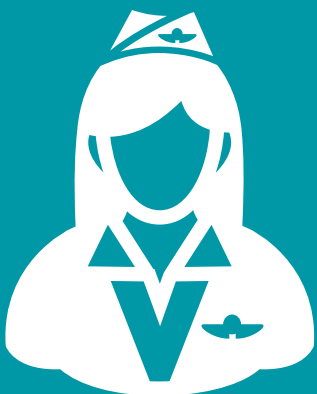


A guide to hiring new employees



Hiring a new employee is an important decision for your business. This guide will help you find the right employee for your workplace and get them started on the right track.

You can also access our 'Hiring employees' online learning course which has interactive activities, templates and checklists to help you through the process. Visit www.fairwork.gov.au/learning

The hiring process

Hiring a new employee is not a single event - it's a process. Understanding each step in the process will help you get the best outcome for your business.



Step One: Know the law

There are workplace laws that apply to all employees in the national workplace relations system. Before hiring a new employee make sure that you know about your responsibilities under the *Fair Work Act 2009*:

The National Employment Standards

There are 10 National Employment Standards (NES) that apply to all employees in the national system. They cover:

1. Maximum weekly hours – 38 hours per week, plus reasonable additional hours
2. Requests for flexible working arrangements – certain employees can ask for a change in their working arrangements
3. Parental leave – up to 12 months unpaid leave per employee, as well as the right to request an additional 12 months leave
4. Annual leave – four weeks paid leave per year, plus an additional week for some shift workers
5. Personal/carer's leave and compassionate leave – 10 days paid personal/carer's leave per year, two days unpaid carer's leave and two days compassionate leave (unpaid for casuals) as required
6. Community service leave – unpaid leave for voluntary emergency management activities and leave for jury service
7. Long service leave – paid leave for employees who have been with the same employer for a long time
8. Public holidays – a paid day off on a public holiday, unless reasonably requested to work
9. Notice of termination and redundancy pay – up to five weeks notice of termination and up to 16 weeks redundancy pay
10. Fair Work Information Statement – must be provided to all new employees.

For more information about each of the NES visit www.fairwork.gov.au/nes



Awards and agreements

Modern Awards

A modern award is a document that sets out the minimum wages and conditions for an industry or occupation. They apply on top of the NES.

Modern awards cover things like pay, hours of work, rosters, breaks, allowances, penalty rates and overtime.

To search for the modern award that applies to your business, go to www.fairwork.gov.au/awards

Enterprise Agreements

An enterprise agreement is a document that sets out the minimum wages and conditions for a workplace. When an agreement is in place, it will usually apply instead of the modern award.

The agreement is negotiated between the employer, a group of employees and their representatives. The agreement is then lodged with the Fair Work Commission for approval.

You can search for enterprise agreements or find out more about agreement making on the Fair Work Commission's website www.fwc.gov.au

Award/Agreement free employees

Some employees will not be covered by a modern award or enterprise agreement. These employees are considered to be award/agreement free. These employees are still entitled to the national minimum wage and the NES.



Wages

Employees must be paid at least the minimum wage provided in their award or agreement. If they aren't covered by an award or agreement, they must be paid at least the national minimum wage.

Pay rates are based on an employee's duties and other factors like their age and qualifications. If an employee's duties change, their wage may also change.

Wages usually increase on 1 July every year.

For help with pay rates go to www.fairwork.gov.au/pay



Record-keeping and pay slips

You need to keep written time and wage records for each employee. This includes records about:

- their employment including:
 - the employee's name
 - the employer's name and ABN
 - whether the employee is full-time or part-time, permanent, fixed term or casual
 - the date on which the employee began employment
- pay
- overtime
- hours of work
- leave
- superannuation contributions
- termination of employment
- agreements relating to an individual's employment including individual flexibility agreements and guarantees of annual earnings.

These records must be kept for at least seven years. Visit www.fairwork.gov.au/recordkeeping for detailed information about record-keeping.

You also need to give all employees a pay slip within one day of paying their wages. For a template pay slip, go to www.fairwork.gov.au/templates



Discrimination

Discrimination in the workplace is illegal. Employees (or potential employees) cannot be discriminated against because of their race, colour, sex, sexual preference, age, physical or mental disability, marital status, family or carer's responsibilities, pregnancy, religion, political opinion, national extraction or social origin.

For more information about discrimination in the workplace, go to www.fairwork.gov.au/discrimination



Taxation and superannuation

Employers need to meet tax obligations for all workers. This includes PAYG withholding and superannuation on behalf of their employees. Some employers will also have to pay payroll tax when their total wages exceed a certain level called the 'exemption threshold'.

The Australian Taxation Office (ATO) can give you advice about your tax and superannuation obligations, visit www.ato.gov.au/business/employers



Workplace health & safety and worker's compensation

As an employer, you are responsible for providing a healthy and safe working environment for your employees. You also need to pay worker's compensation insurance for your employees.

For more information contact the relevant work health and safety body in your state or territory, go to www.fairwork.gov.au/links



Step Two: Think about hiring

The next step in the hiring process is to assess your business' current and future needs and define the role you want to fill. Decide whether hiring is the best option or whether you could consider alternatives, like training existing staff.

If you decide that you do need to hire, think about what you need from the person and develop a job description to match. Consider the tasks you need the person to do and the skills/qualifications they will need to do this work.

When defining the role, think about the type of employee you need:

- Full-time employees work 38 hours per week and have ongoing employment. They have a regular pattern of hours and can be asked to work additional hours if the hours are reasonable.
- Part-time employees work less than 38 hours per week and have ongoing employment. They have a regular pattern of hours and can be asked to work reasonable additional hours.
- Casual employees aren't guaranteed a certain amount of hours of work a week. They are usually paid an additional amount called a 'casual loading' because they don't get other entitlements like paid sick leave or annual leave.
- Fixed term employees are engaged for a specified period of time, task or season, e.g. a fixed term employee may be used to cover a parental leave absence or to work on a particular project.



Step Three: Attract the right people

Once you have a clear idea of the role you want to fill, you can then advertise the position. This means making sure that suitable applicants hear about the opportunity, find the job appealing and match it with their expectations, skills and experience.

The best way to advertise will depend on the type of job and the industry your business is in. Consider options such as:

- online job sites
- social media
- notice boards or shop windows
- newspapers and industry publications
- business or industry contacts
- recruitment agencies.

When preparing your job ad, list the skills and experience you are looking for. Remember to let applicants know what's in it for them by including information about the location, salary and benefits of the job.



Step Four: Choose the right person

Depending on the number of applications you get, it might help to create a shortlist of people to interview. The shortlisting process can help you identify the applicants whose skills and experience best match the role.

Once you have your shortlist, you can then prepare for your interviews. The interview process can be as formal or informal as you like. Ensure that you ask questions which focus on the skills and abilities which are relevant to the position. Avoid asking questions that are personal, intrusive or irrelevant to the role as they may be seen as inappropriate or discriminatory.

Visit our 'Hiring employees' online learning course for practical information about interviewing skills.

www.fairwork.gov.au/learning



Step Five: Offer of employment

Once you have chosen someone, contact them to offer them the job. It's a good idea to follow this up in writing with a letter of offer. This will help your new employee understand their conditions of employment. There are template letters of offer available at www.fairwork.gov.au/templates

It's a good idea to also include:

- a copy of the Fair Work Information Statement, available to print at www.fairwork.gov.au/fwis (this must be given to every new employee when they start work)
- copies of any relevant company policies such as a code of conduct, uniform or social media policies
- any forms you need completed such as a tax file declaration and superannuation choice, see www.ato.gov.au/business/employers



Step Six: Start on the right foot

Investing time in a thorough induction will help you get the most from your new employee. It will also help ensure that the employee feels well-informed, welcomed and equipped to do their job.

As part of the induction program, you can include:

- a tour of the workplace and introductions to other employees
- an overview of the business
- an explanation of the employee's role and responsibilities
- an explanation of the business' policies and procedures including the hours of operation, the dress code and payroll
- an overview of the workplace health and safety protocols, including fire and evacuation procedures.



Step Seven: Have a productive workplace

During the first few weeks of employment, meet with your new employee to set goals and expectations. As part of this conversation you can identify any training they need and create a plan to ensure these needs are met.

It's a good idea to continue to have regular meetings during the first few months so that you can give the new employee feedback about their performance and monitor their suitability for the role. Developing a performance agreement with your new employee will also help you do this.

If a problem does arise, address it with your new employee promptly. If you need assistance, you can access our 'Difficult conversations in the workplace – manager course' at www.fairwork.gov.au/learning

Tailored advice from your industry association

Your industry or business association can provide you tailored advice and assistance. For information please visit:

- the Australian Chamber of Commerce and Industry's website for a list of industry organisations and chambers at www.acci.asn.au/Our-Network
- the Ai Group, who represent employers across a variety of industries, at www.aigroup.com.au
- the Fair Work Ombudsman's website for a list of registered organisations at www.fairwork.gov.au/registeredorgs



Hiring Checklist:



Know the award/agreement

An employee's minimum terms and conditions of employment will come from their award or agreement if one applies.

Most employees will be entitled to things like annual leave, sick leave and parental leave. They will also be entitled to the allowances and penalty rates set out in their award or agreement.

It's important to find out what your employee should get by reading the award/agreement.

If you need help finding out which award or agreement applies visit www.fairwork.gov.au/awards



Decide on the person's employment status

To work out the right pay and conditions you'll need to know whether an employee is full-time, part-time or casual.

For help figuring out what employment status suits the position go to www.fairwork.gov.au/employment



Pay the right rates

There are different minimum rates of pay for different jobs. Visit www.fairwork.gov.au/pay for help finding out the minimum rate of pay for your employee.



Agree to hours and rostering

Under most awards you'll need to agree with your employees on their hours of work and rostering in advance.

Our templates will assist you to do this and are available at www.fairwork.gov.au/templates



Know your pay slips and record-keeping obligations

You need to keep written time and wages records for your employees for seven years. You also have to give all of your employees a pay slip within one day of paying their wages.

We have templates that can help. See www.fairwork.gov.au/recordkeeping for more information.



Find out about workplace health and safety and worker's compensation

You need to provide your employees with a safe workplace. This can include paying insurance to cover workers who are injured or become ill because of work.

Visit your state or territory's work health and safety body for information about these obligations. You can find their contact details at www.fairwork.gov.au/links



Get the paperwork ready

You should provide new employees with paperwork including the Fair Work Information Statement and a Tax File Declaration Form.

You may also:

- get the person's superannuation and bank account details
- offer the person a letter of engagement.

We have templates that can help at www.fairwork.gov.au/templates



Conduct an induction

Running an induction for a new employee will help them to settle in quickly to the job and learn about the workplace. It's important that new employees are aware of your expectations, like wearing a uniform or dress codes.

A thorough induction will give you the chance to explain your expectations and go through any workplace policies and procedures that you have. It will also allow new employees to ask questions.

Find out more

For more information about what you need to know when hiring a new employee, as well as recruiting the right people, see our 'Hiring employees' online learning course at www.fairwork.gov.au/learning

For information about planning, starting and growing your business, visit www.business.gov.au

Find out more

www.fairwork.gov.au

Small Business Helpline – 13 13 94



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