

# HIRING CASUALS IN 2023

## WHAT BUSINESSES NEED TO KNOW

If you are a business owner it is likely that you have casual employees.

While casual employment offers flexibility of time and resources, it's important to understand the associated entitlements and payments.

### Types of Employment

The different types of employment bring a different set of rights for the employee and regulations for the employer.

#### Permanent Employment

Permanent employment covers both full-time and part-time employees. Permanent employees have a variety of entitlements including, but not limited to:

- A variety of forms of paid leave
- Notice of termination
- Consistent work hours

#### Fixed-Term Employment

Fixed-Term employment has the same entitlements as Permanent Employees. However, their employment is for a fixed term or duration (eg. 12 months).

#### Casual Employment

Casual employment includes different entitlements to permanent and fixed-term employment, including:



No notice of  
termination

An entitlement  
to casual  
loading

No  
guaranteed  
hours of  
work

No obligation  
for the employee  
to be available for  
work

No access to paid  
annual or  
sick leave

## Causal Loading

Casual loading is an additional payment made on top of the hourly wage for casual employees. The rate of casual loading is determined by the relevant award, ordinarily 25%.

For example, if a casual employee is paid \$25.38 per hour, and their agreement stipulates a casual loading rate of 25%, the total hourly rate is:

$$\begin{aligned} & \$25.38 \text{ (hourly rate)} \\ & + \$6.35 \text{ (25\% of the hourly rate)} \\ & = \$31.73 \text{ (total hourly rate)} \end{aligned}$$

## Causal Conversion

An employer with 15 or more employees must offer their casual employees' conversion to full-time or part-time permanent employment if the employee:

- has been employed with the business for 12 months and has worked a regular pattern of hours for at least the last 6 of those months
- the employee could continue working those hours as a permanent employee
- unless the employer has reasonable business grounds not to offer the employee permanent employment

## Penalty Pay & Overtime

Casual employees are entitled to receive additional payment when they work on public holidays, weekends, and additional hours. Overtime penalty rates are also applicable for casual employees, depending on the award. Ordinary overtime applies when a casual employee has worked more than 38 hours in a week or more than a certain number of hours in a day.

It is important for business owners to be aware of the casual employment entitlements outlined in the relevant award.

**Contact us today for more information on how casual employment, including casual conversion and overtime pay, impacts your business.**

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