



# What to include in an employment contract.

So, your business is growing, you're hiring, and you've found somebody who is the perfect fit.

But if you're going to keep your employee on track and prevent any issues around pay or roles and responsibilities, then an employment contract is a must.

Here are seven key elements of any good employment contract.

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## 1. The nature of the position.

It's important to specify whether you're offering a full-time, part-time, casual or volunteer position.

This part should also include the number of hours your new hire will be required to work each week or fortnight.

Type of position

Hours

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## 2. The remuneration.

Here, state the salary or hourly rate you're offering and whether the role is subject to any modern awards, such as overtime or penalty rates.

Salary/Hourly rate

Awards

### 3. The notice period.

Clearly state how much notice both parties must give before terminating the employment.

This acts as assurance, should either of you decide to move on unexpectedly.

Notice period

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### 4. The probation period.

A probation period allows you time to determine whether someone is a good fit for the role and your business. It can range from a few weeks to a few months. It's up to you to determine how long it will take to assess their suitability for the role.

Probation period

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### 5. Duties.

This section outlines the tasks or duties your new hire is expected to perform. This ensures your employees know exactly what they're signing up for.

Main duties

## 6. Leave entitlements.

All permanent employees are entitled to annual leave and personal leave. Your contract should state any rules around when the former can be taken and whether you offer any other sorts of paid leave. This could include maternity, community service and long service leave.

Annual leave days

Personal leave days

Other leave

Restrictions

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## 7. Sackable offences.

Specifying the scenarios that would lead to you terminating the contract helps clarify the performance standards and behaviour you expect from your employee while in your service.

Sackable scenarios

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Hiring your first employee is a milestone for every small business, and it's important to get it right. Make sure to check with an employment lawyer if you're not sure on the specifics of a contract.

A detailed employment contract can help prevent potential misunderstandings and set you up for a fruitful working relationship.

To learn more about hiring your first employee visit the Westpac [Help For Your Business hub](#).

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it matters

