

Understanding employee classifications and types of employment

Full time, part time, casual, freelance – did you know that there are at least 10 different employment types in Australia? While you may not need in-depth knowledge of all 10 types, you should learn about those most relevant to you, so you're aware of your rights and entitlements.

The Fair Work Ombudsman website outlines 10 common types of employment, each with its own set of benefits, rights and expectations. In this article, we provide an overview of the most popular classifications, covering work hours, paid leave, sick days and more.

What are the types of employment?

While you may be familiar with the most common [types of employment](#), there are more you might not be that familiar with. Here's what we cover in this article:

- Full-time employment
- Part-time employment
- Casual employment
- Independent contractor
- Temporary employment
- [Apprentice/trainee](#)
- Intern

Knowing the basics of these can help you decide what type of employment structure best suits you, and give you an idea of your rights and entitlements for each.

Exempt vs non-exempt employees

An exempt employee is someone whose role is not covered by an award. More than

100 different job roles in Australia are covered by awards (which outline minimum wage and other conditions), but not all employees and roles have one. Often, exempt employees are senior or managerial – they have typically signed an independent contract with an employer and receive a salary based on their work duties. While they are entitled to above minimum wage, they are not entitled to overtime pay. Exempt employees are still entitled to the National Employment Standards (NES) – the minimum entitlements for workers in Australia.

A non-exempt employee is someone whose job is covered by an award (or multiple awards). They are entitled to NES, which includes minimum wage, overtime, protection from unfair dismissal, and other benefits.

How does employment classification affect job expectations?

Your employment classification dictates the hours you work, your rights and your entitlements. Knowing what the different employment types mean can help you decide which jobs to apply for and what to expect when entering a role.

Full-time employees

Full-time employees typically work 38 hours a week with a fixed salary. Working full time may require a reasonable amount of overtime, which is covered by your salary (i.e. you don't receive extra pay), depending on your employment agreement. As a full-time worker, you'll receive four weeks of paid leave, two weeks of paid personal/carer's leave and two days of paid compassionate leave per year. You're also entitled to superannuation.

Part-time employees

[Part-time employees](#) work an agreed-upon number of hours – less than 38. The average weekly hours for part-time employees in Australia is 17. Permanent part-time employees are paid a salary, and receive the same leave entitlements as a full-time employee, 'pro rata', which means proportionate to the hours worked. So someone working 19 hours per week will receive two weeks of annual leave. Like a full-time employee, part-time workers are entitled to superannuation and paid public holidays. They also get 10 days of family and domestic violence leave, not prorated.

Casual employees

Casual employees have no guaranteed work hours and work on a roster. For example, [as a casual worker](#), you may work no hours one week, 20 hours the next and 11 the following week. Employees who are casual are paid hourly, and are generally not entitled to any paid leave. Casual employees are entitled to superannuation, just like a full-time or part-time employee. Casual hourly workers are also entitled to penalty rates for working on weekends, public holidays or early in the morning and late at night.

Temporary employees

Temporary employees are non-permanent employees, often hired to fill short-term vacancies through a staffing agency. For example, some businesses hire temporary staff over holiday periods when full-time employees take time off or to cover parental leave. How a 'temp' is paid and the entitlements received depends on the contract between the individual employee and the hiring agency. Temping is a flexible solution for skilled workers restarting employment after extended time off, or working while studying or taking care of family.

Independent contractors

[An independent contractor](#) is not an employee as such, but someone hired by a company to provide a service for a set fee. To be a contractor, you must:

- Have majority control over when and how the work is performed
- Supply your own tools and equipment
- Be able to delegate or subcontract work
- Be able to decide your hours of work

As a contractor, you will be paid a set amount, which doesn't include superannuation. You will have to calculate tax owed on your income, and pay the Australian Tax Office at the end of the financial year. You may be required to charge GST if your annual earnings are over the GST threshold (\$75,000).

Interns

Internships are a type of learning arrangement where you receive [on-the-job training](#) in

a temporary and generally unpaid work placement. Some internships might earn academic credit towards a degree. For an [internship to be unpaid](#), you must be a student or in vocational placement – other types of internships must be paid by the employer. Typically, you will be required to work a set number of hours throughout your internship to receive credit for your studies. An internship program is designed to give you practical hands-on skills in your chosen field, and potentially get your foot in the door with a reputable employer.

How to know your type of employment

Job ads usually include the employee classification at the top, so you know before you apply what type of employment is being offered. If you're in a job interview and you don't know or remember the classification, it's typically best to wait until the interviewer brings it up – or confirm the employment type at the end of the interview. If you're already employed, check the employment agreement you signed or confirm with your manager.

Tips for changing employment classifications

Just because you enter a job position in one classification doesn't mean you can't change to a different one at a later date. You may find that you want to switch from [casual to full time](#) for more money and security. Most employers would prefer not to lose a good team member if they're able to keep them by offering more or fewer hours.

Changing employment classifications

If you want to remain in the same role and workplace, but change your classification, it's best to approach your manager, human resources team or employer as soon as you know. When you change classifications, read your employment contract so that you fully understand the new terms and entitlements.

Looking at employment classifications when job hunting

When you're looking for a new job, check the classification at the top. Job platforms like SEEK will allow you to search or filter jobs based on employment type, alongside any other preferences. When you land a new position, be sure to check that your entitlements and benefits align with the employment type before you sign the contract. This includes checking the annual and personal leave days, working hours and

overtime entitlements. If you're moving from a full-time position to an independent contractor role, you'll need to remember to set aside tax.

Knowing the main employment types offered in Australia can help you decide which is best for you. You might value the security of a full- or part-time role or love the [work-life balance](#) of a casual job. Whatever your situation, knowing all your rights and entitlements is important if you want to reach your [professional goals](#) with maximum job satisfaction.

FAQs

What are the seven types of employment?

Seven common types of employment include:

- Full-time
- Part-time
- Casual
- Independent Contractor
- Apprenticeship
- Temporary employment
- Internship

The Fair Work Ombudsman outlines 10 different types, including apprentices, shift workers and more.

What is the importance of accurate employee classification?

Having accurate employee classifications ensures employees receive the correct compensation and entitlements. It determines different responsibilities in the workplace and the obligations of employers. Each classification may have different guidelines regarding annual leave, overtime, taxation and superannuation, so it's important to know which classification your job falls into.

How does employee classification impact employee benefits and rights?

Employee classifications dictate different compensation structures, leave entitlements and whether overtime and superannuation are paid. Full-time and part-time employees

generally enjoy more benefits and rights in the workplace, while casual, temp and contracted employees have more flexibility.

What are contingent workers?

A contingent worker is someone who works for a company but is not classified as an employee. This may include independent contractors, freelancers, consultants and temporary workers through staffing agencies. It's a type of employment used by businesses to complete specific projects or to fill a non-permanent role. In some cases, it may present a temporary employee with an opportunity to continue in a permanent position.