

ارفض التعاقد السوري

STANITE NA KRAJ LAŽNIM UGOVORIMA

ΠΑΤΑΞΗ ΤΩΝ ΕΙΚΟΝΙΚΩΝ ΣΥΜΒΑΣΕΩΝ

METTIAMO AL BANDO I CONTRATTI SIMULATI

Slam the Sham

허위 계약을 추방합시다

打击虚假合约

СТАНІТЕ НА КРАЈ ЛАЖНІМ УГОВОРІМА

HÃY NGĂN CHẶN TÌNH TRẠNG GIẢ HIỆU



CFMEU
CONSTRUCTION
AND GENERAL



SLAM THE SHAM

Sham contracting hurts workers and the community



What is sham contracting?

Sham contracting is an illegal, but widespread, practice in the construction industry.

It occurs when a company signs up workers as **independent contractors** (also known as **ABN* workers**) instead of hiring them properly as **employees**.

Companies use sham contracting so they can avoid giving an employee their working rights and entitlements. **Employees on sham contracts** miss out on rights and entitlements such as:

- sick leave, holiday leave and long service leave
- overtime and public holiday rates
- protection against unfair dismissal
- redundancy payouts
- superannuation payments (paid by your employer at 9% of you salary)
- workers' compensation insurance
- minimum award wages and conditions

*ABN stands for Australian Business Number

Why do we need to stamp out sham contracting?

Sham contracting erodes the wages and conditions of workers.

When workers who should be **employees** are put on **sham contracts**, they are denied many of the benefits and protections that employees are legally entitled to.

If you're on a **sham contract**, your employer won't be responsible for making sure that you are paying income tax.

That means you are at risk of **heavy penalties** from the **Australian Taxation Office**.

And it's not just workers who are ripped off by **sham contracting**, it's your **community** as well.

By disguising **employment relationships** as independent contracts, companies **avoid paying payroll tax**. That means less money for our schools, roads and hospitals.

Secondly, when companies don't pay **superannuation**, it shifts the burden of funding workers' retirements onto society. Workers without **superannuation savings** have to rely on **government pensions**.

And finally, **sham contracting** gives an **unfair competitive advantage** to companies doing the **wrong thing**. By evading tax, not contributing super and not adhering to awards, companies that engage **sham contractors** are able to **undercut honest employers** who are doing the **right thing** by their workers and the community.

How do I know if I'm on a sham contract?

Not all **ABN workers** are **legitimate contractors**. While many independent contracting arrangements are legitimate, some are set up to disguise an employment relationship.

You can tell the difference between a **genuine independent contractor** and an **employee** on a **sham contract** by looking at the relationship between the **company** and the **worker**.

Here is how to tell the difference:

Genuine independent contractors	Employees
<ul style="list-style-type: none"> • Genuine independent contractors operate their own businesses and are likely to advertise their services to the public. • Rather than working continuously for a single company, they enter into contracts for service with various companies or clients. • They are hired on a temporary basis to carry out a specific task. • Once the job is done, they send out an invoice for the work and their relationship with the client comes to an end. • They generally set their own hours of work and supply their own tools, equipment and materials. 	<ul style="list-style-type: none"> • Employees generally work for a single company. • They are told by that company when and where to show up to work, when to take breaks and what tasks to perform throughout the day. • They are engaged on an ongoing basis and are usually paid weekly or fortnightly for the hours they work. • They bear no commercial risk on the job, which means that if the company has to rectify work, they still get paid for the hours they work.

If you work like an **employee**, but are on an **independent contract**, you may be on a sham contract.

I think I'm on a sham contract... what should I do?

If you think you are on a **sham contract** you must speak up, because you and your employer may be **breaking the law**.

You may also be **owed a lot of money in unpaid superannuation** and **other benefits**.

To make sure you get the **best advice** and **protection** contact your **union**.

Contact details can be found on the back page of this booklet.



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