

MEDIA RELEASE

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*The Association of Professional
Engineers, Scientists &
Managers, Australia*

INDEPENDENT CONTRACTORS BILL OFFERS NO PROTECTION

The Association of Professional Engineers, Scientists and Managers, Australia (APESMA) which represents the interests of 25,000 professionals including over 3,500 contractors, has spoken out against the Independent Contractors Bill tabled in Parliament today and labelled it a double whammy to many professionals.

APESMA Acting CEO, Geoff Fary said while the Association sees the use of contractors to disperse specialised professional skills and expertise, and to cover workflow peaks as legitimate, the long-term effects of these Bills could be detrimental to both contractors and employees.

“The Independent Contractors Bill will mean further uncertainty, ambiguity and, greater reliance on litigation to resolve contractor status.

“For professionals whose expertise is required for a specialised long-term project and who gain multiple or ongoing contracts with a single client, they can be penalised under existing legislation. They may be denied legitimate business deductions when the ATO enforces the Alienation of Personal Services Income (PSI) legislation.

“This Bill offers no protection for APESMA’s members for two reasons.

“On the one hand, by moving across to contractor arrangements professionals may lose employment entitlements and on the other hand, the ATO in narrowly interpreting the Federal Government’s PSI legislation, denies them the ability to claim legitimate deductions for the business expenses they incur.

“Secondly, this Bill may encourage unscrupulous employers to avoid responsibility for paying superannuation, workers compensation, annual leave and other basic entitlements by pushing employees onto sham contracts, and as a consequence, drive down the pay and conditions of employee professionals.

“Unscrupulous employers will be able to undermine job security and working conditions by using contractors to meet work demands rather than hiring employees on a permanent basis,” Mr Fary said.

Time will tell whether the Office of Workplace Services has the independence, resources and powers to effectively investigate and act on sham arrangements and whether the penalties it applies will be adequate.

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