

Negotiation guide - Contractor

1: Prepare the offer

It's likely you won't know the final 'offer' until you meet THE ONE and Negotiations don't end up the same as what you initially planned. Nannies often have their own expectations about the engagement that they will bring to the negotiations, particularly when working as contractors. You just need to understand how each request will affect the budget and admin time and decide if it's something you're willing to compromise on.

Contractor obligations - Nannies under an ABN are responsible for the following:

- Paying their own Super contributions
- Paying their own tax contributions
- Providing you with an invoice
- Providing you with a working agreement
- Paying their own insurances

Will the nanny be paid for their lunch break?

Remember the nanny often can't leave the role location during their break as they need to maintain supervision of the children. Consider paying them for their meal break to compensate for this.

Will the nanny send invoices weekly, fortnightly, or monthly?

- How much time do you have to pay their invoice?
- Do they have late fees?

Cancellations - What happens in the event that you cancel the shift?

- How much notice will you give the nanny for a cancellation?
- Does the nanny still require payment if you cancel? (it's fairly common for contractors to expect payment regardless)

What happens when either party takes leave from the arrangement?

- It is expected both parties will take leave for holidays. A good idea might be to set up a notice period for these breaks to help both sides prepare for the break in service.

Termination - How much notice does either party need to give to terminate the arrangement?

Two weeks is common

Vehicle allowance - Is the nanny using her car for the role?

Be sure to check with the relevant KM allowance for all work based travel.

Household expenses - How does the nanny manage funds for expenses?

- Most families leave petty cash for the nanny and the nanny notifies when the cash stash is low.
- Some families open a bank account for the nanny and provide them with the card. The family transfer as needed and the transaction record is an additional layer of record keeping.
- It's recommended that the nanny documents and files receipts in a folder or log book.

Hour management

- How will the roster and timesheets be managed?
- What happens to the nanny's contracting rate on public holidays and weekends?

Illness - What are the expectations if either party is sick?

Everyone has the right to know any illness from the other party. It's hard to make a policy on this but we recommend a conversation for both parties so you can ensure everyone is on the same page.

Notes