

	Employee	Contractor
	An employee works in the business and is part of the business.	A contractor is running their own business and provides services to a business.
Ability to sub-contract or delegate:	An employee cannot sub-contract or delegate the work - they cannot pay someone else to do the work.	A contractor is free to sub-contract or delegate the work - they can pay someone else to do the work.
Basis of payment:	An employee is paid: <ul style="list-style-type: none"> • for the time worked • a price per item or activity • a commission. 	A contractor is paid for a result achieved based on the quote they provided.
Equipment, tools and other assets:	The business provides all or most of the equipment, tools and other assets required to complete the work, or the worker provides all or most of the equipment, tools and other assets required to complete the work, but the business provides them with an allowance or reimburses them for the cost of the equipment, tools and other assets.	The worker provides all or most of the equipment, tools and other assets required to complete the work. The worker does not receive an allowance or reimbursement for the cost of this equipment, tools and other assets.
Commercial risks:	An employee takes no commercial risks. The business is legally responsible for the work performed by the worker and liable for the cost of rectifying any defect in the work.	A contractor takes commercial risks, and is legally responsible for their work and liable for the cost of rectifying any defect in their work.
Control over work:	The business has the right to direct the way in which the worker performs their work.	A contractor has freedom in the way the work is done subject to the specific terms in any contract or agreement.
Independence:	An employee does not operate independently from the business. They work within and are considered part of the business.	A contractor is operating their own business independently from the business. Services are performed as specified in the contract or agreement and they are free to accept or refuse additional work.