

## **Nurselink Resource Guide**

### **5 Steps to Transition from Employee to Contractor**

#### **For Nurses in Australia & New Zealand**

Many nurses are choosing to move from traditional employment to independent contracting. Contracting can offer greater flexibility, control over your schedule, and the ability to work across different healthcare settings. However, it also means taking responsibility for your own taxes, insurance, and business administration.

This guide outlines five key steps to help nurses transition safely and legally.

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#### **Step 1: Confirm Your Professional Registration**

Before working as a contractor, you must maintain **valid professional registration** with the relevant nursing authority.

In Australia, nurses must be registered with the Nursing and Midwifery Board of Australia, regulated through the Australian Health Practitioner Regulation Agency.

In New Zealand, nurses must be registered with the Nursing Council of New Zealand.

You must ensure:

- Your practising certificate is current
- Your continuing professional development (CPD) requirements are met
- Your registration status remains active

Without active registration, you cannot legally practise as a nurse.

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## **Step 2: Set Up Your Business Structure**

When you become a contractor, you are essentially operating as a small business.

The most common structure for independent nurses is **Sole Trader**.

### **Sole Trader (Most Common)**

Pros:

- Quick and simple to set up
- Lower administrative requirements
- Minimal setup cost

Cons:

- You are personally responsible for business liabilities.

If desired, some professionals operate through a company structure, though this is less common for individual healthcare contractors.

In Australia, business registrations are managed by Australian Securities and Investments Commission.

In New Zealand, companies and business names are registered through the New Zealand Companies Office.

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## **Step 3: Set Up Your Tax Management System**

Unlike employees, contractors are responsible for managing their own taxes.

### **Australia**

You will typically need:

- an **ABN (Australian Business Number)**
- to report income and manage your own tax obligations
- to register for **GST** if your turnover exceeds the threshold

Tax administration is handled through the Australian Taxation Office.

### **New Zealand**

You may need:

- an **IRD number**
- to manage provisional tax payments
- to register for **GST** if your income exceeds the threshold

Tax obligations are managed through Inland Revenue Department.

### **Using Tax Apps Like HNRV**

Many independent contractors use digital tax services to simplify their finances.

For example,

HNRV acts as a **combined accountant and tax agent**. It automatically:

- calculates and sets aside tax from each payment
- files tax returns on your behalf
- manages GST where applicable
- tracks business expenses

Other apps with similar functions include:

- **Xero** (accounting and bookkeeping software)
- **MYOB** (small business accounting platform)

Using tools like these can significantly reduce administrative workload and help ensure compliance.

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### **Step 4: Obtain the Right Insurance**

Independent contractors must maintain their own insurance.

The most common types include:

### **Professional Indemnity Insurance**

Protects you if a claim arises from professional services you provide.

### **Public Liability Insurance**

Covers accidental injury or property damage that may occur while you are working.

### **Income Protection Insurance (Optional)**

Provides financial protection if illness or injury prevents you from working.

Many healthcare regulators require proof of professional indemnity insurance as a condition of practising.

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## **Step 5: Start Contracting and Build Your Network**

Once your registration, tax setup, and insurance are in place, you can begin accepting contractor work.

**Nurselink** is here to help connect healthcare professionals with healthcare organisations seeking flexible workforce support.

Contracting can allow you to:

- choose shifts that suit your lifestyle
- work across different healthcare settings
- build diverse clinical experience
- increase earning potential

However, contractors must also manage their own:

- taxes
  - insurance
  - compliance obligations
  - financial planning
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## Employee vs Contractor: Key Differences

Employee	Contractor
Employer controls schedule	You choose your shifts
PAYE tax deducted automatically	You manage taxes
Employer provides insurance	You provide your own
Paid leave and benefits	No paid leave
Less admin	More financial responsibility

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## Important Note

Contracting may not suit everyone. Before transitioning, it is recommended to seek advice from:

- an accountant
- a financial advisor
- a professional association

This helps ensure you fully understand your financial and legal responsibilities.

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## Explore Flexible Nursing Opportunities

If you're considering contracting and want to explore flexible work options, visit:

**Nurselink**

[www.nurselink.co.nz](http://www.nurselink.co.nz)