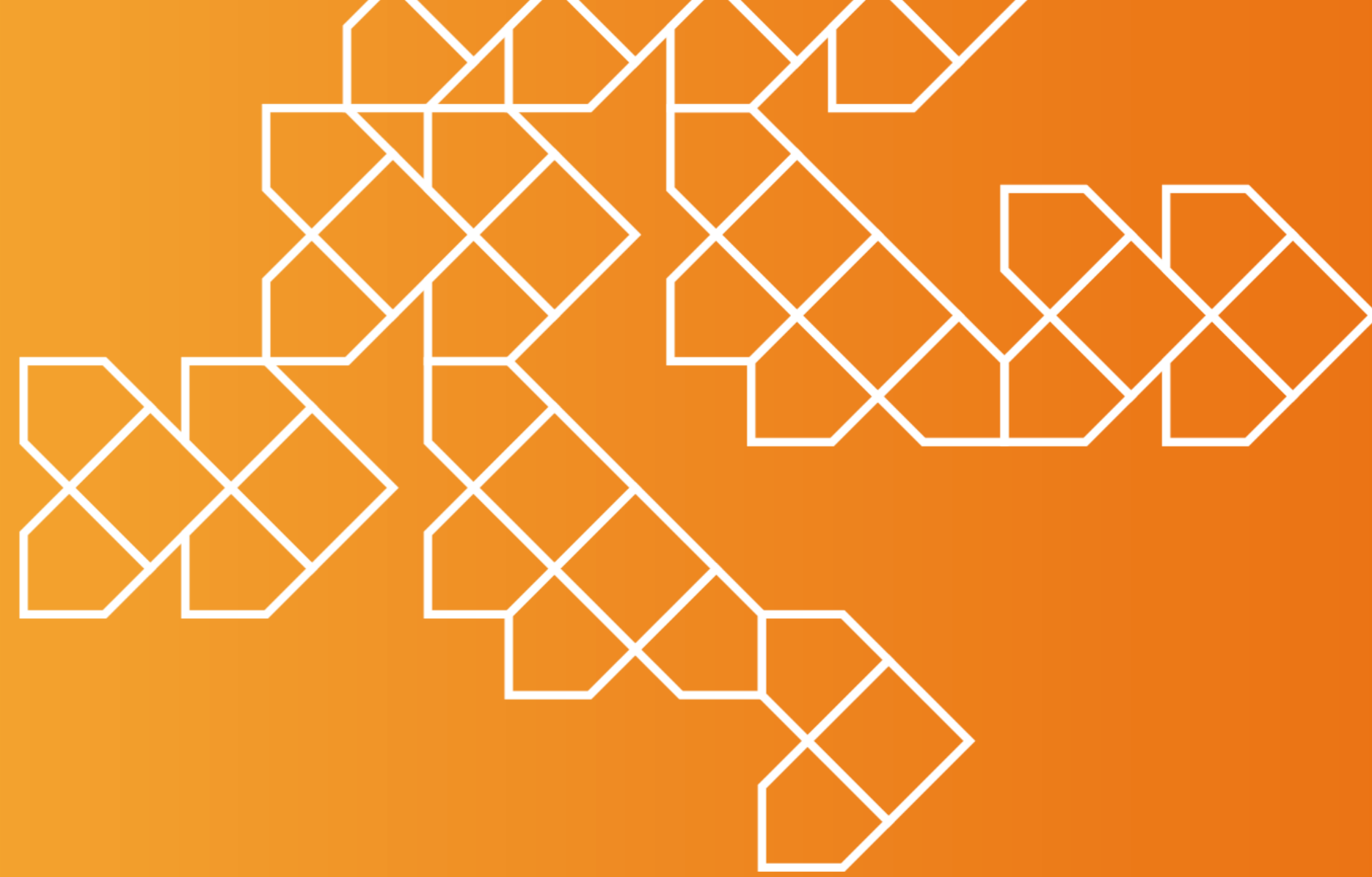




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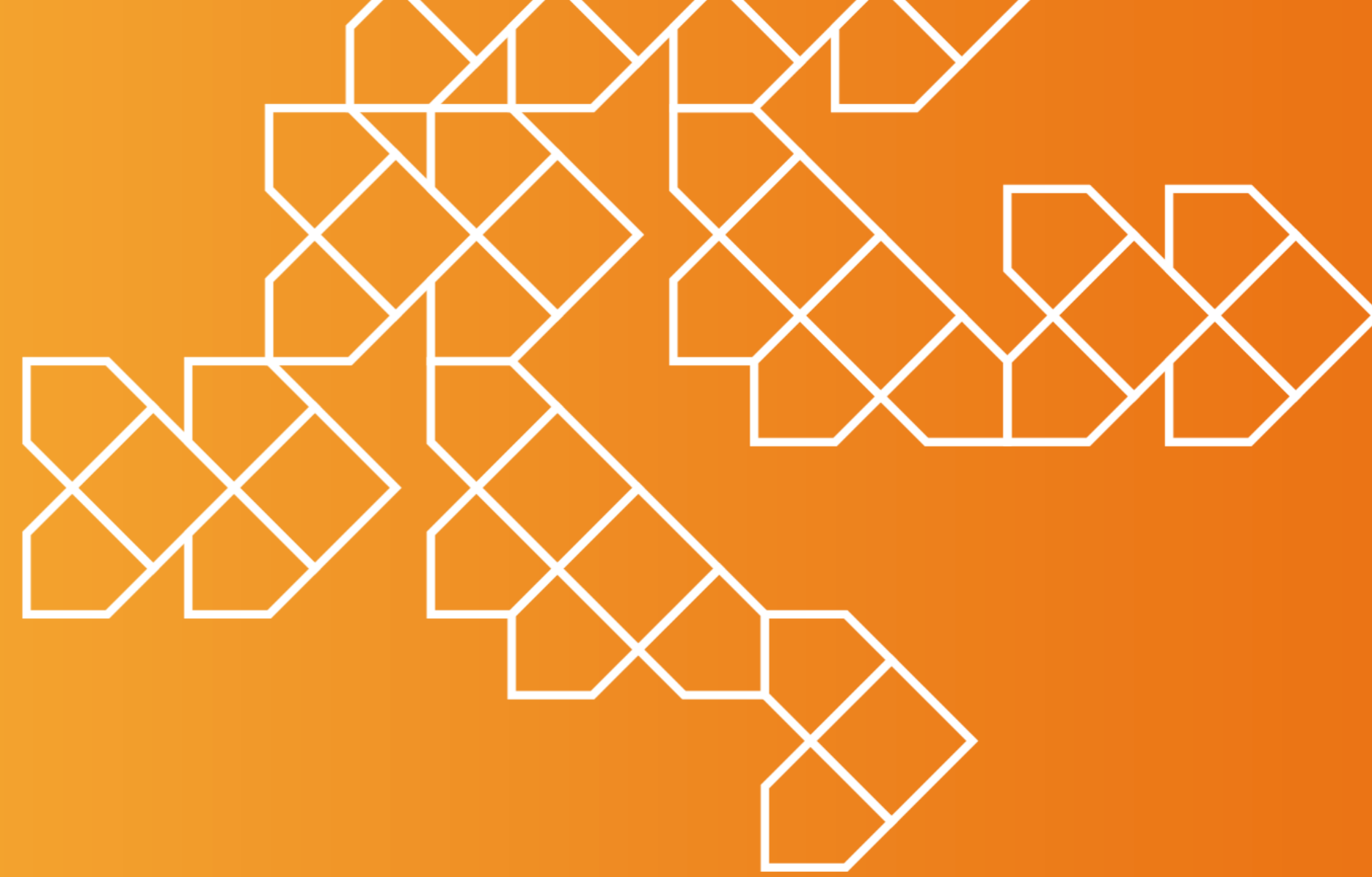
WorkCover Insurance & Contractors

Gregg MacArthur
Senior Education Officer
Insurance Division



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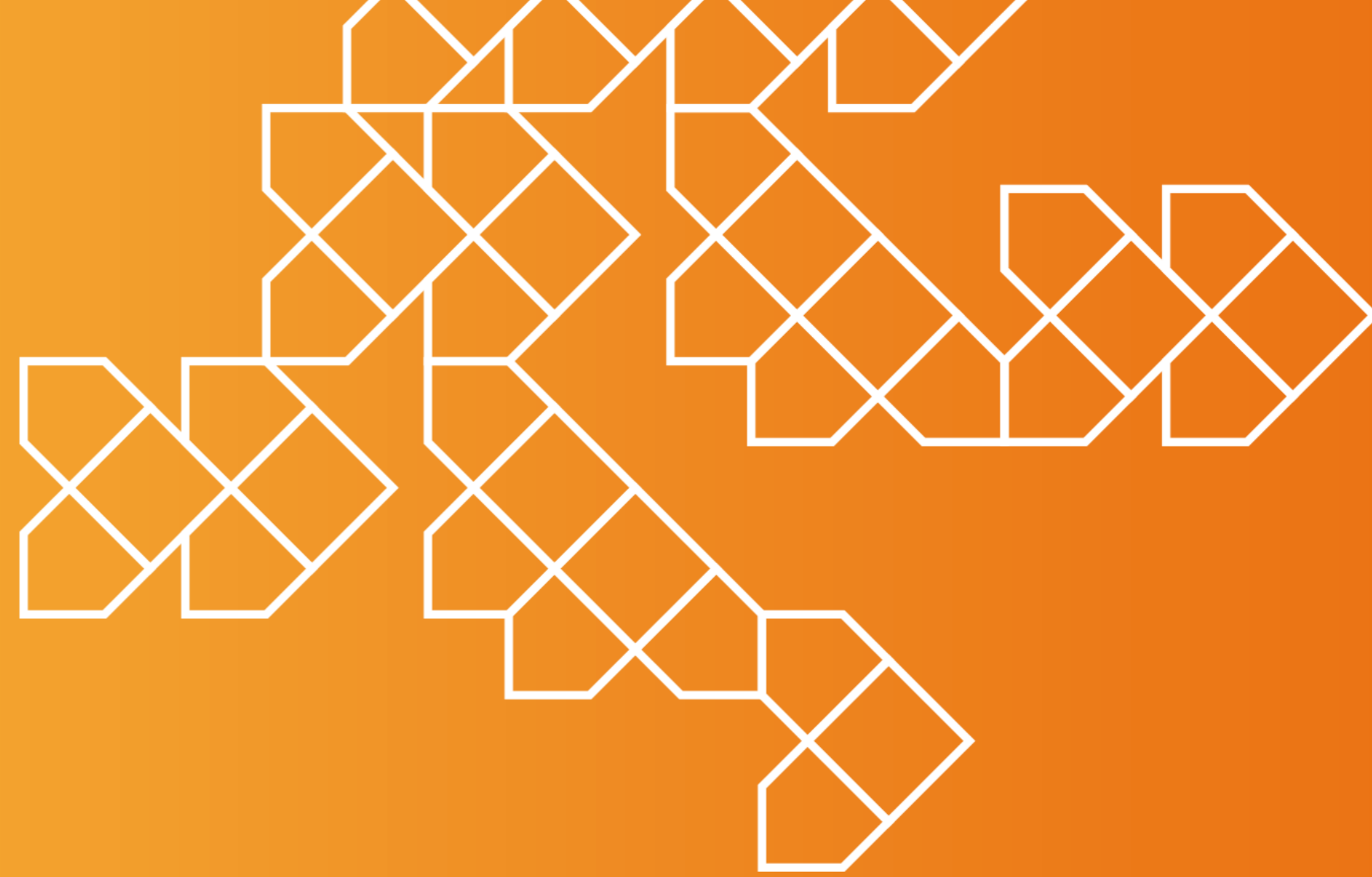




You can be part of the online conversation by using the event hashtag in any tweets or Instagram pics.

#hsmmonth





WorkCover Insurance & Contractors

Gregg MacArthur
Senior Education Officer
Insurance Division



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Agenda

- Myths and misconceptions
- Workers and contractors
- Practicalities of compliance



Know who you need to cover



- If you have workers or apprentices you must have WorkCover insurance
- If you use contractors, subcontractors or owner drivers you need to know
 - If you are required to treat them as your workers, and
 - What payments you make to them need to be declared

Common myths and misconceptions



- ✘ If a contractor has their own insurance you don't need to cover them
- ✘ Contractors can't claim against your insurance
- ✘ If a contractor has an ABN and provides invoices you don't need to cover them
- ✘ The contractor doesn't meet the 80/20 rule so you don't need to cover them
- ✘ You can "contract out" your obligations
- ✘ Payroll tax and ATO rulings apply to WorkSafe



Workers & Contractors



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Worker or Contractor?



What WorkSafe will look at?

- Contractor's business structure
 - Sole trader or partnership / incorporated
- How have they been hired?
 - How are they being paid
- What have they been hired to do?
 - Who is doing the work
 - How are they doing it
 - Who decides when they do it

Sole traders and partnerships



WorkSafe will consider them your worker unless

- They are providing a service to you as part of running their own independent business
- Indicators point to them genuinely running their own business
 - Control
 - Integration
 - Results
 - Risk
- How do you know who to cover or if you are covered?
- When do WorkSafe expect payments to be declared?

Incorporated contractors



- The WIRC Act contractor provisions should be applied to relationships involving all contractors that are genuinely running a business
- For a contractor to be deemed a worker
 1. The contract must be mainly for work
 2. One person is doing 80% or more of the work, and
 3. The contractor is earning 80% or more of their income

1. Contract mainly for work



- Where the contract involves
 - the provision of materials, or
 - the supply and/or use of equipment or machinery/plant
- the contract will be exempt when 50% or more of the contract price is for the materials or the hire, use or provision of equipment/plant

2. Who performs the work



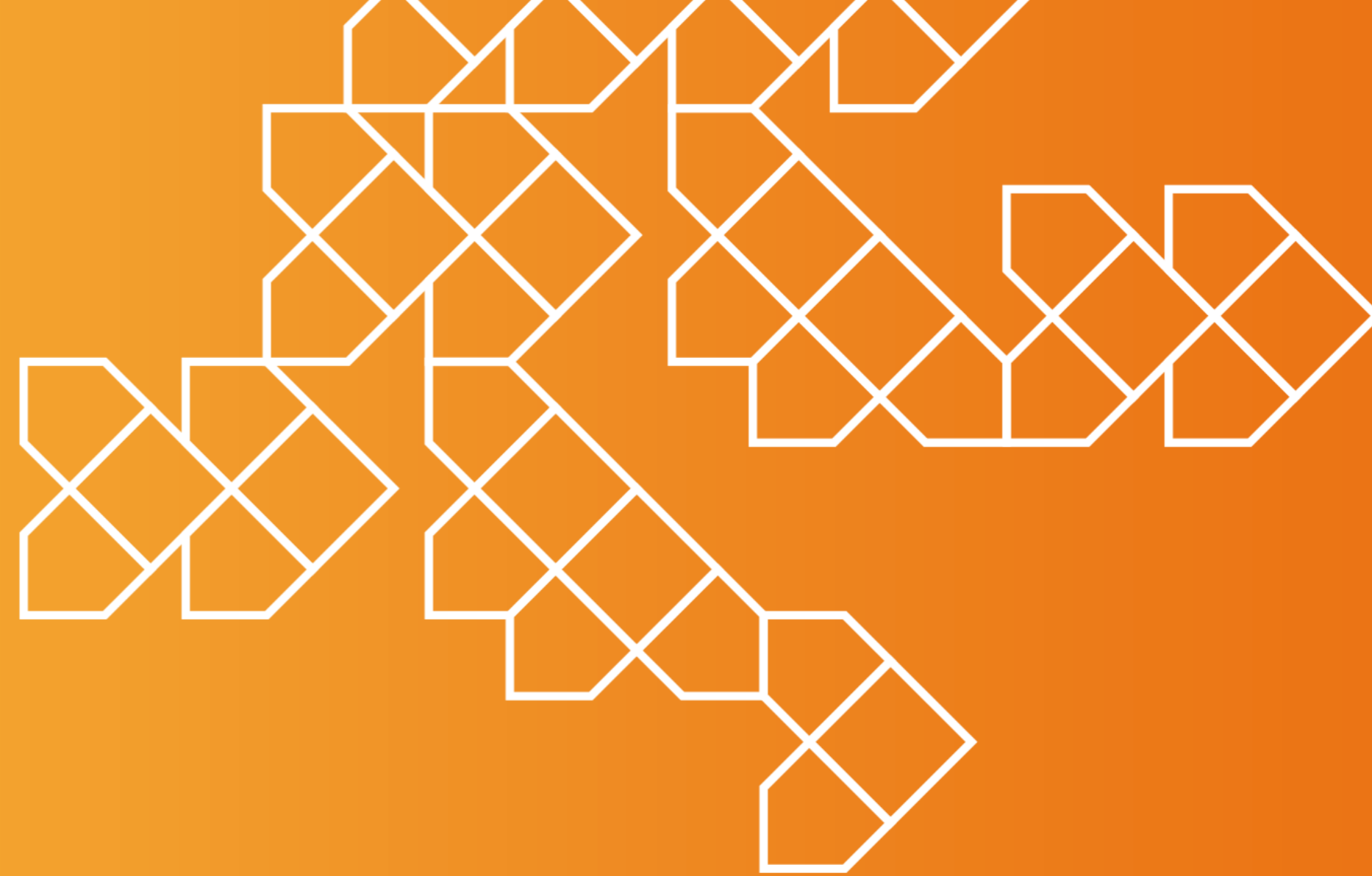
- If more than one person is performing the work under the contract, and no one person does 80% or more of the work, the contract is exempt.
- For a contractor to be deemed a worker:
 - One person is doing 80% or more of the work, or
 - The efforts of one person contribute to 80% or more of the value of the work

3. Contractor's income



If 80% or more of the contractor's income comes, or is expected to come, from the hirer they will be deemed a worker

- The income has to be from providing the same type of service
- The 80% is tested over a 12 month period based on when the contract starts and ends



Compliance



Practicalities of compliance



- WorkSafe insurance relies on self-assessment so in the first instance employers need to determine who they need to cover and what remuneration to declare.
- WorkSafe provides guidance material and an online contractor test to assist.
- WorkSafe expects anyone hiring contractors to go to reasonable lengths to identify if they have an obligation to cover them.

What is rateable in relation to a contractor?



If a contractor is deemed to be your worker then what they are paid is rateable unless...

- If the contract included the provision of materials, parts, equipment hire or running costs, or anything that is clearly not for the contractors work then that is not included
- WIRC Act Regulations list specific types of contractor, if the contractor is on the list then the deduction % is used.

What is rateable for a deemed worker on their own insurance?



- If a contractor is deemed to be a worker then what they pay themselves for the work performed under the contract is not rateable for their own insurance.
- If the contract is their main / only source of income **they may not need to have WorkCover insurance**

Contractor Compliance Moratorium



2016 - 17

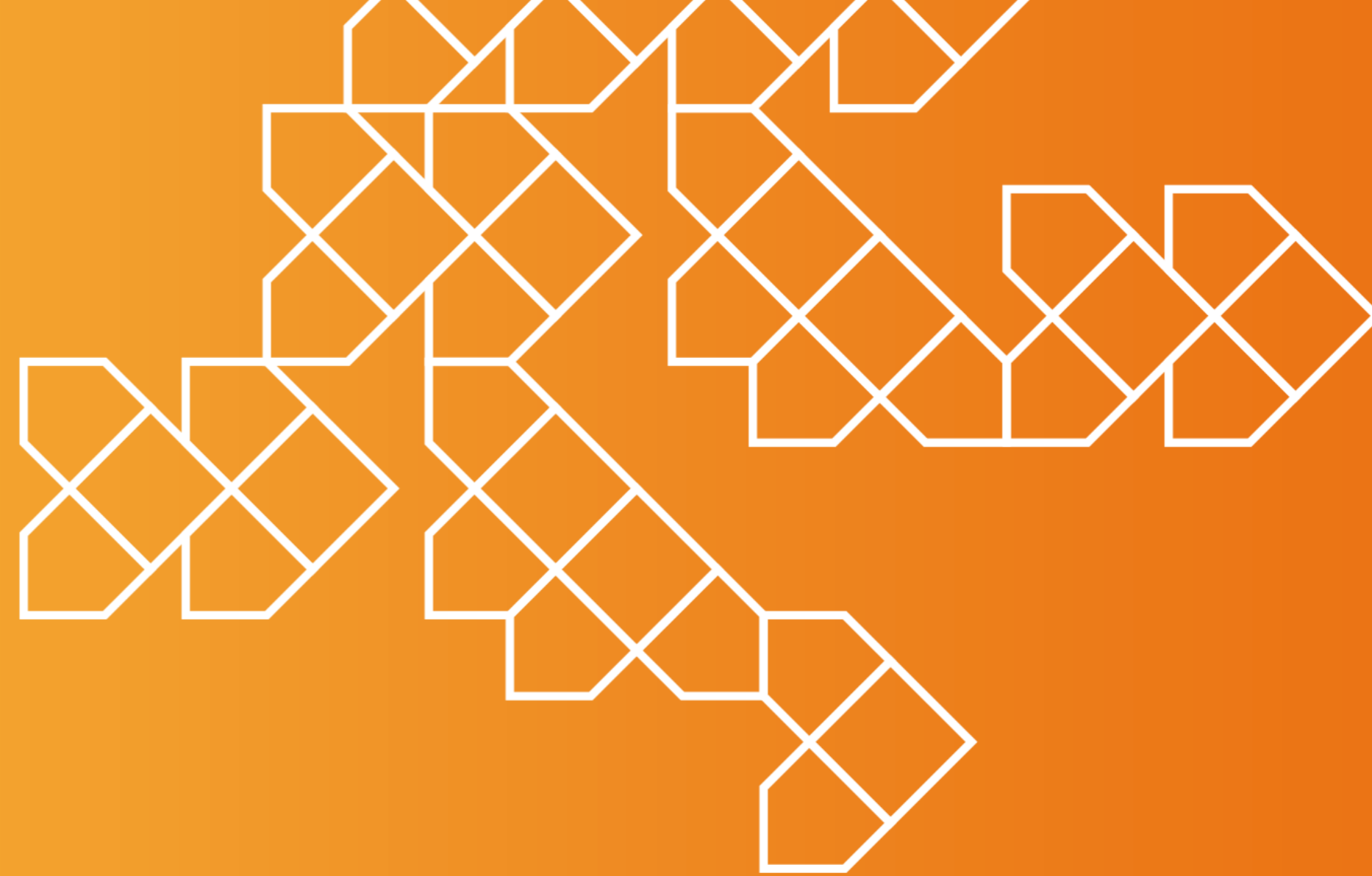
- Significant audit project focussing on employers in, and servicing, residential construction

2017 - 18

- Moratorium on penalties and previous years premiums
- 1 September – 31 October 2017
- Revisions provided to WorkSafe premium@worksafe.vic.gov.au



Questions?



Thank you.





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Join the team - currently recruiting Inspectors

We are specifically looking for people with Construction industry experience, however we do value broad based experience for our multi-disciplinary positions.

- **Be a safety leader – the face of WorkSafe**
- **Great benefits including gym and discounted health insurance**
- **Workplace flexibility and leave options**
- **Learning & development opportunities**
- **Study support**



If you share our passion and vision for all workers to return home to their loved ones at the end of the day, then please apply within two weeks, by 29 October 2017.

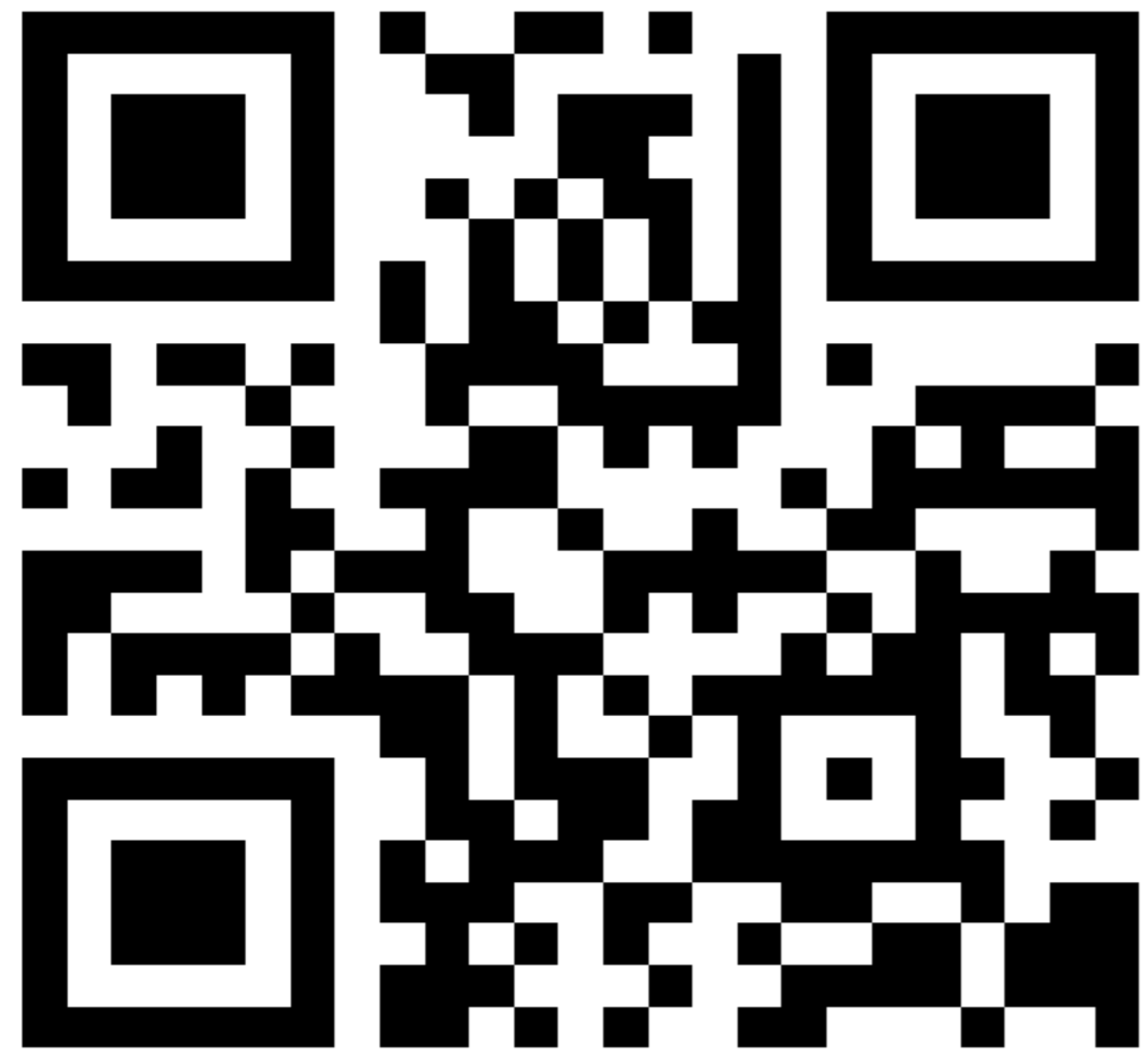
For more information about Inspector positions and other roles available in Melbourne and Geelong, refer to the career section on our website: www.worksafe.vic.gov.au/about/careers



How did we do?

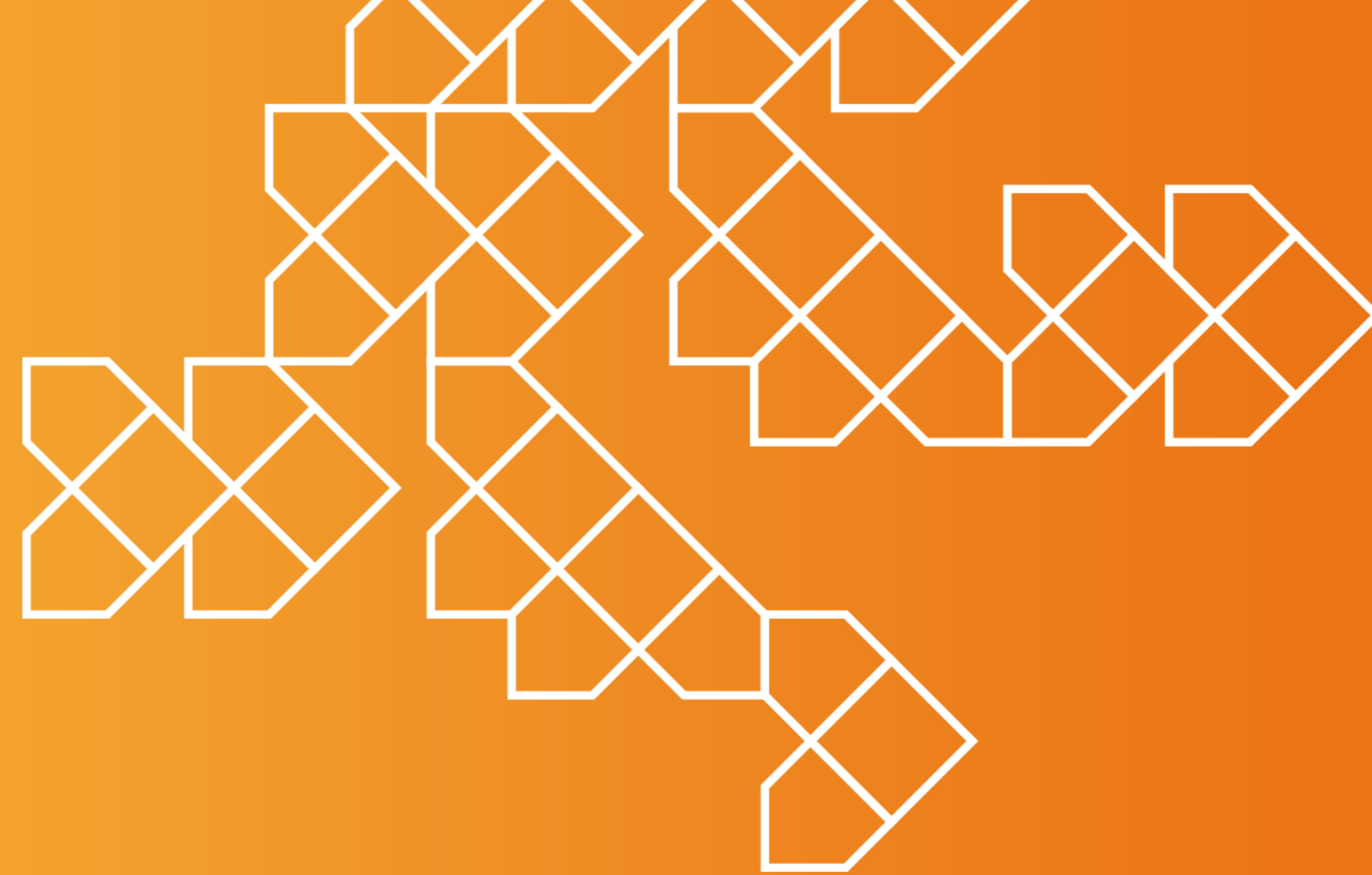
Please take a minute to answer some quick questions about this talk. You could win one of five \$100 Visa gift cards*

Go to <http://go.srnet.com.au/WHSM>



...or scan this QR code with your phone. You should be able to do it from there!

*one entry for each session evaluated





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