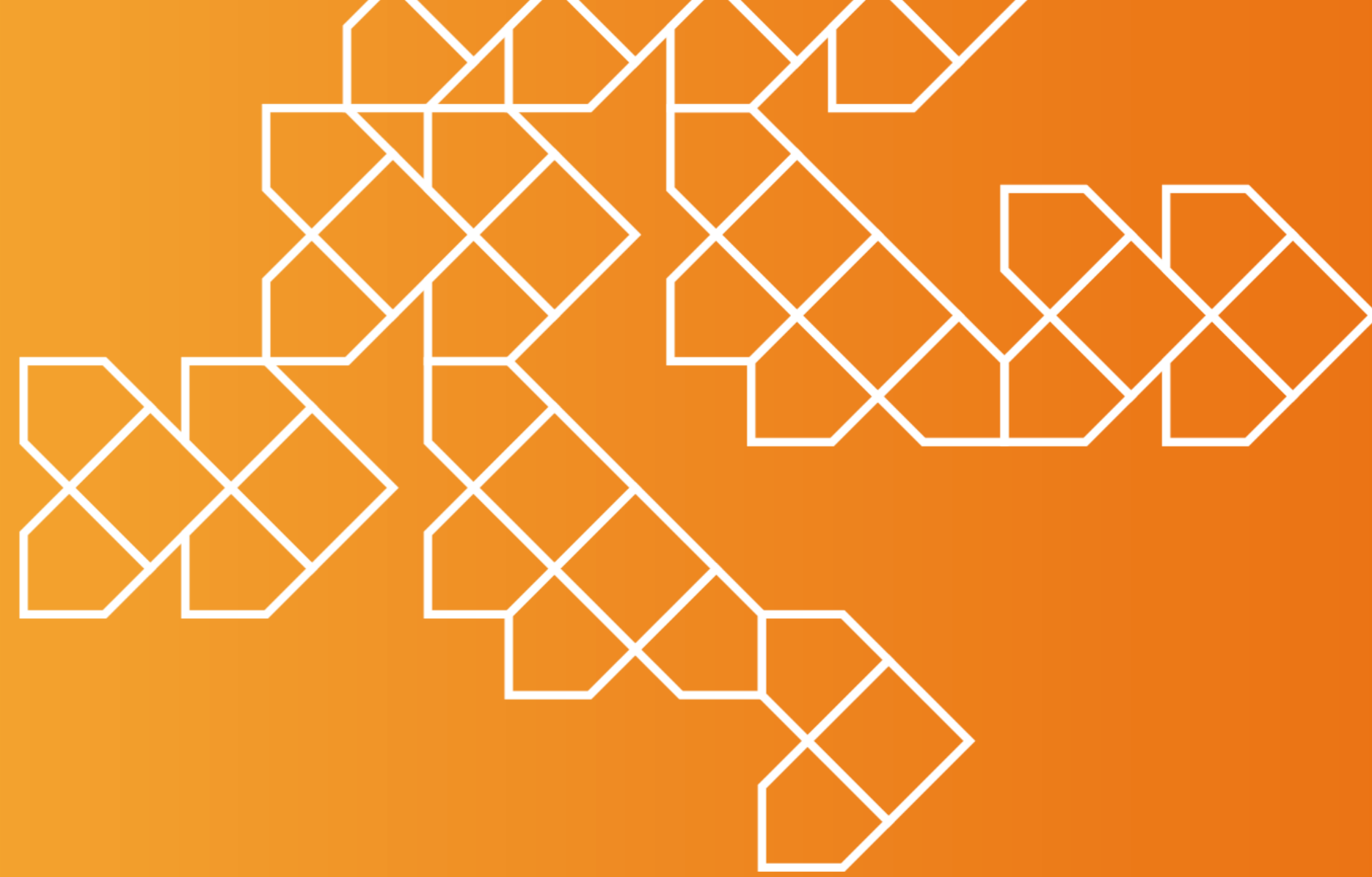




HEALTH AND SAFETY MONTH 2017

Working in Partnership





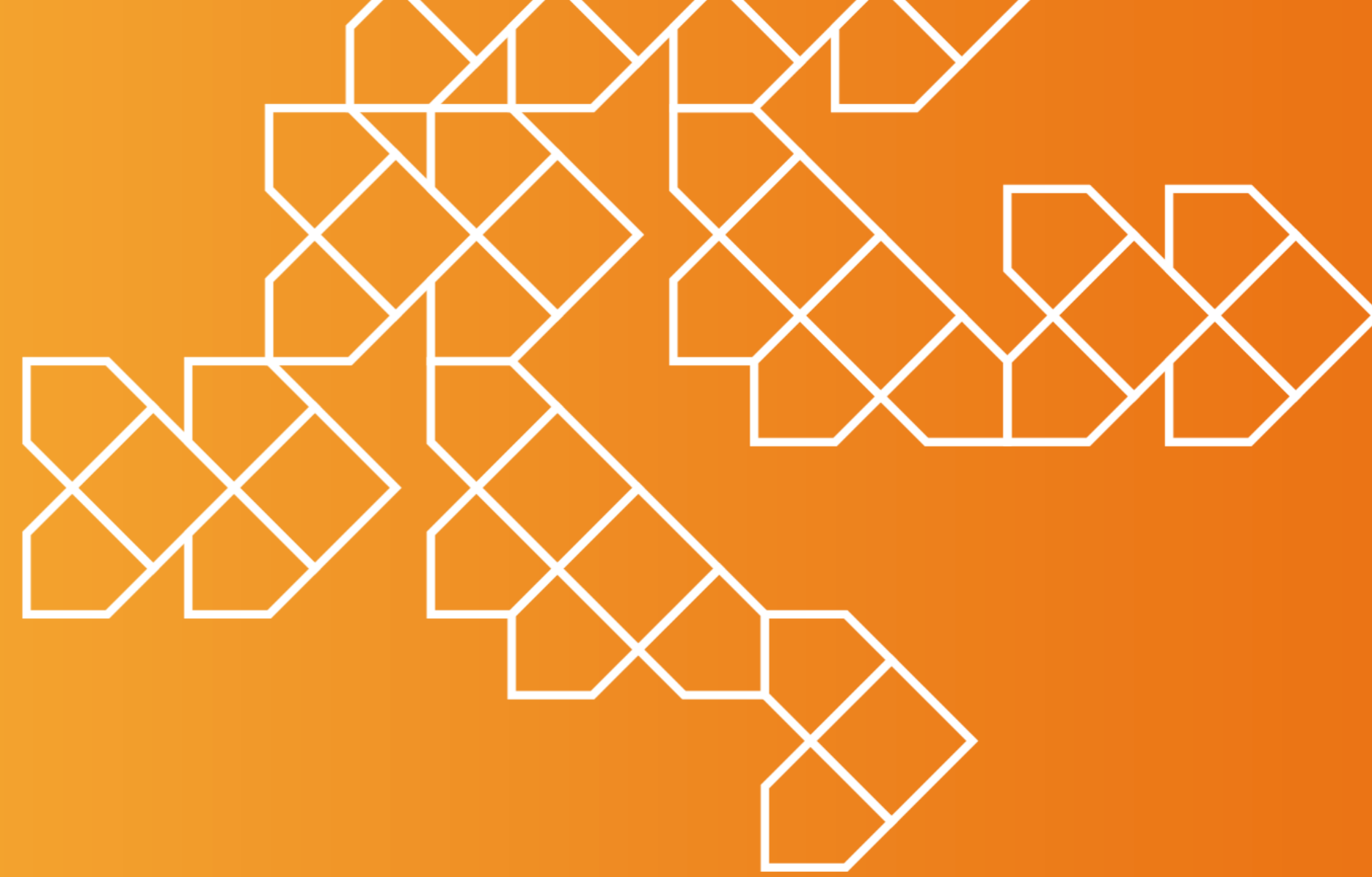
WorkCover Insurance & Contractors

Gregg MacArthur
Senior Education Officer
Insurance Division



**HEALTH
AND SAFETY
MONTH 2017**
Working in Partnership

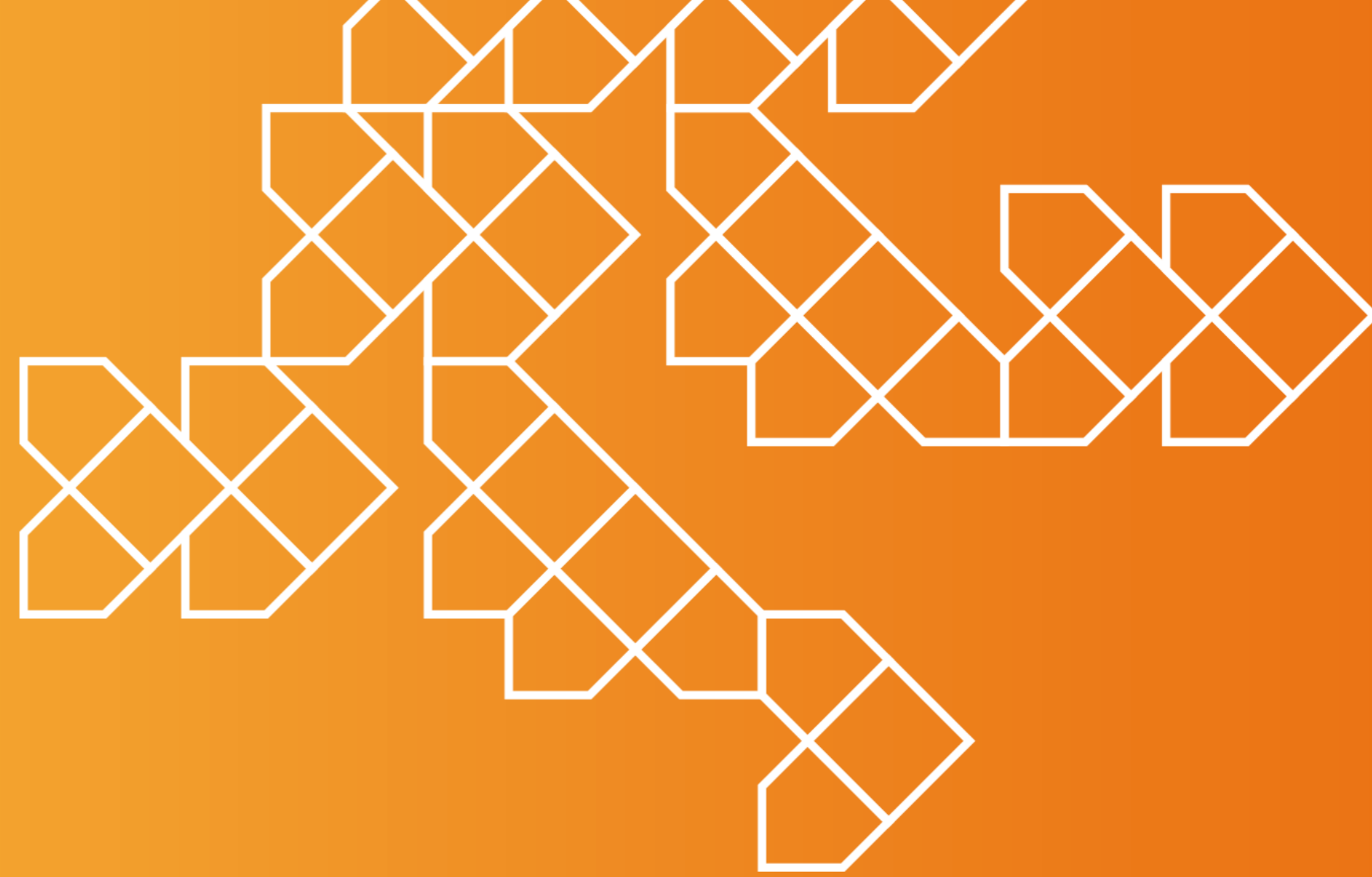




You can be part of the online conversation by using the event hashtag in any tweets or Instagram pics.

#hsmmonth





WorkCover Insurance & Contractors

Gregg MacArthur
Senior Education Officer
Insurance Division



**HEALTH
AND SAFETY
MONTH 2017**
Working in Partnership

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



**HEALTH
AND SAFETY
MONTH 2017**
Working in Partnership

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



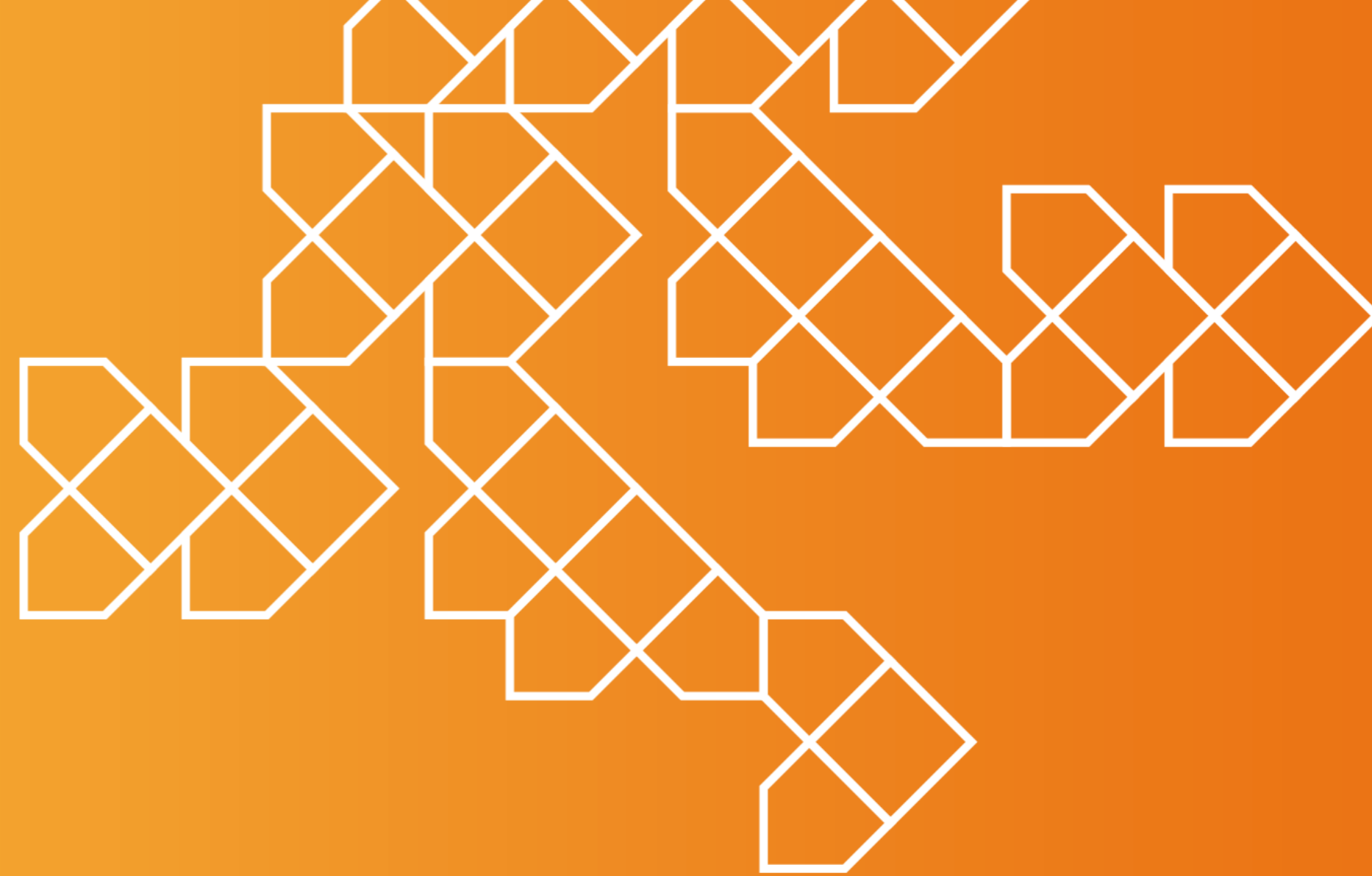
- If more than one person is performing the work under the contract, and no one person does 80% or more of the work, the contract is exempt.
- For a contractor to be deemed a worker:
 - One person is doing 80% or more of the work, or
 - The efforts of one person contribute to 80% or more of the value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



**HEALTH
AND SAFETY
MONTH 2017**
Working in Partnership

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

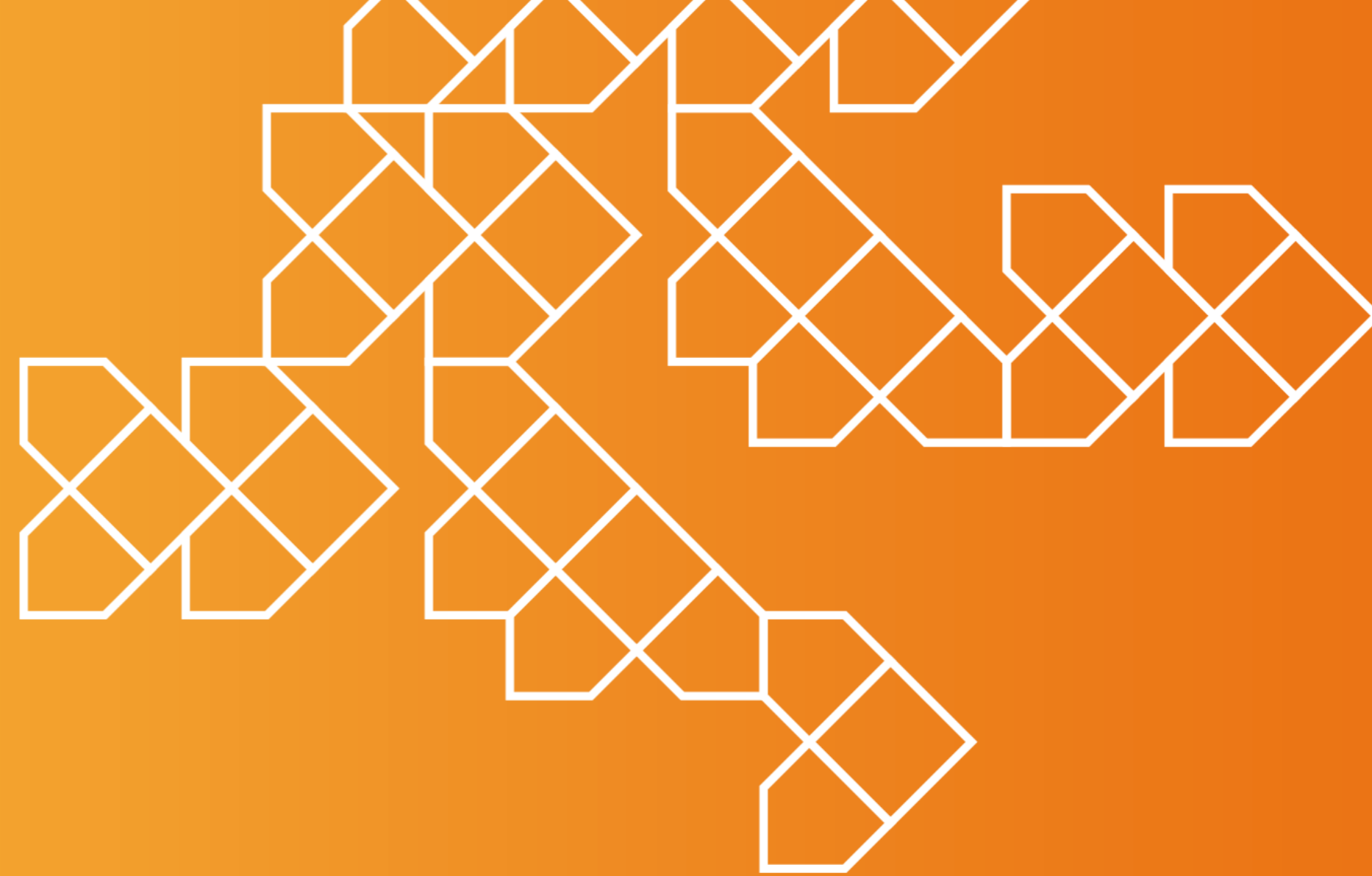
- Significant audit project focussing on employers in, and servicing, residential construction

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.



**HEALTH
AND SAFETY
MONTH 2017**
Working in Partnership



HEALTH AND SAFETY MONTH 2017

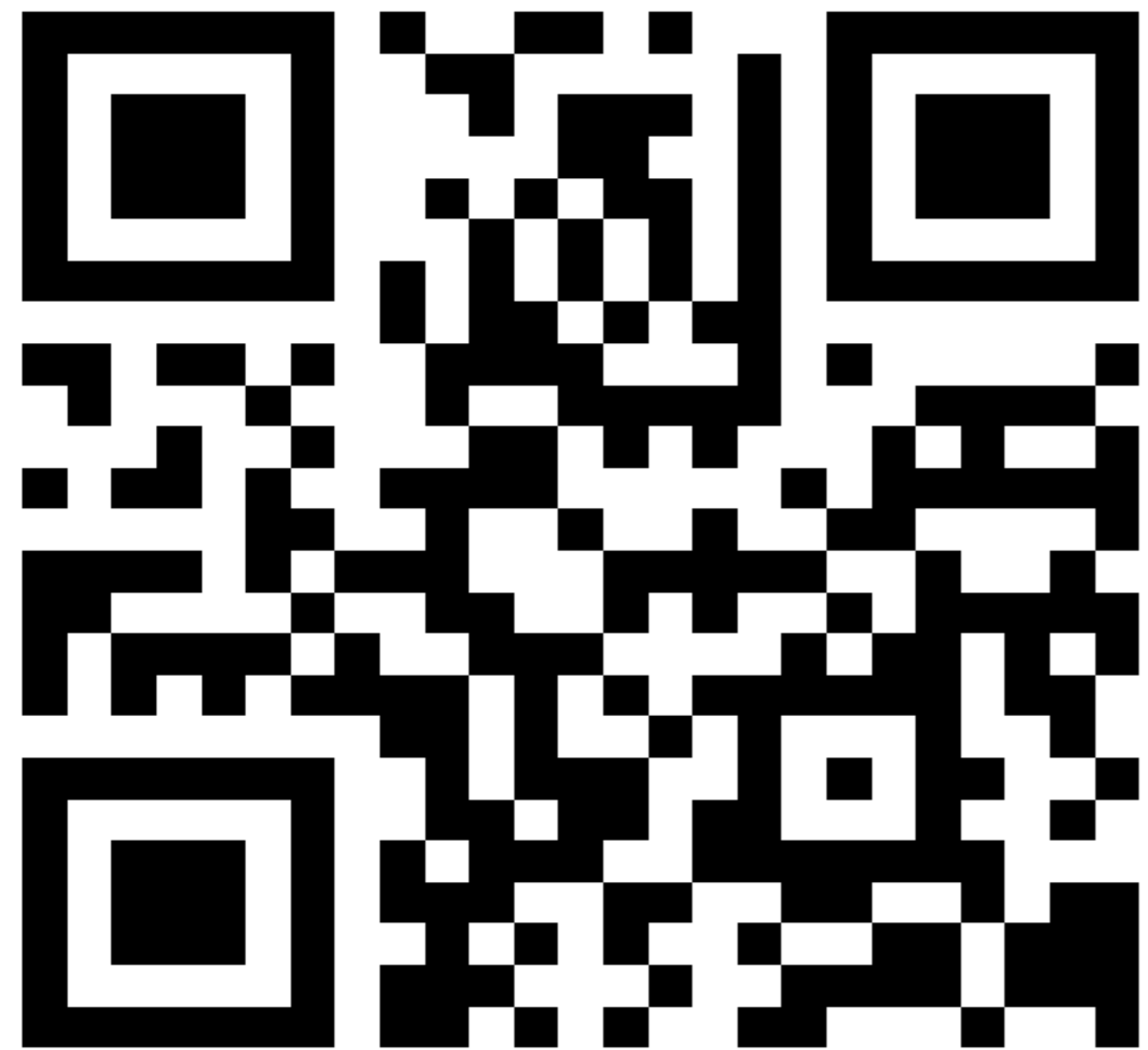
Working in Partnership



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





HEALTH AND SAFETY MONTH 2017

Working in Partnership

