Contractor guideline flowchart

Is your contractor a:

SOLE TRADER

Would you answer 'yes' to all or most of the following questions?

- ☐ Do they work under your direction and control on an ongoing basis?
- ☐ Do they generally work standard or set hours under your direction?
- ☐ Are they unable to subcontract/ delegate the contract work, or pay someone else to do the work?
- ☐ Do you pay them based on the time they worked, or a price per item/activity or commission, instead of a result based on a quote they provided?
- ☐ Do you provide all or most of the equipment, tools, and other assets they need to complete the work, or give them an allowance/reimburse them for the above?
- ☐ Do they operate within, or are they considered part of, your business?

YES → They are likely to be your worker.

UNSURE → Contact your agent or WorkSafe advisory for advice.

NO → Identify the relevant financial year

When calculating remuneration, this type of worker would not be eligible for remuneration deductions.

For more information, see:
Calculating contractor remuneration

COMPANY, TRUST, OR PARTNERSHIP

Identify the relevant financial year

For that financial year, would you answer 'yes' to all of the following questions?

- ☐ Are they doing work in or for your business?
- ☐ Are they personally performing at least 80% of the overall contract work?
- ☐ Are you paying them mainly for their labour?
- ☐ Is the amount you're paying at least 80% of their overall gross income from all sources, for services of the same kind?

NO → They are not likely to be your worker.

YES →

Consider the following items:

- ☐ Do you control their business, or are they in some way subordinate to you?
- ☐ Do they regularly arrange for work at the same time (or one after the other) with different hirers?
- ☐ Are they available to work for others while working for you?
- ☐ Do they generate goodwill or other saleable assets by operating their business?
- ☐ Do they have financial systems or similar that support their offering of services?
- ☐ Do they usually engage staff or employ sub-contractors?
- ☐ Who renders accounts to customers, you or them?
- ☐ How are they paid?

Based on how you answered those questions, do you think you have contracted with an independent business?

INDEPENDENT BUSINESS → They are not likely to be your worker.

NOT AN INDEPENDENT BUSINESS → They are likely to be your worker.

UNSURE → Contact your agent or WorkSafe advisory for advice.

When calculating remuneration, this type of worker may be eligible for remuneration deductions.

For more information, see:
Calculating contractor remuneration