Workers Compensation Insurance in WA

Contractors - Frequently Asked Questions

The individual contractor I use has an ABN; surely this means they are not my worker?

An ABN does not in itself make an individual less likely to be considered your worker. Where they mostly work for you, have no workers themselves and the working relationship with you is practically no different to that with an employee they are likely to be considered your worker.

My contractor has a Pty Ltd company, so he wouldn't be considered my worker, right?

Where an individual has a Pty Ltd company, that in itself does not make an individual less likely to be considered your worker. Again, where they mostly work for you, have no workers themselves and the working relationship with you is practically no different to that you have with an employee, they are likely to be considered your worker.

What if my contractor has a Pty Ltd company and their own Workers Compensation policy?

This does not absolve you from your responsibilities under the Act. If an individual contractor is likely to be considered your worker, such as in the examples provided in our **Individual Contractors** advice, you must declare the remuneration you pay to the individual and pay the premium, even if they have their own policy.

Is there any comeback on me if my contractor has a claim accepted by their Workers Comp' insurer?

The insurer can seek to recover the cost of the claim from whomever the Act considers the employer of the individual and therefore liable under the Act to provide cover for the claim, which could be you. The cost of serious injury claims can run into hundreds of thousands of dollars and catastrophic injuries far more.

My contractor has their own Income Protection policy, so I must be off the hook?

If the Act considers the individual to be your worker then you must declare their remuneration and pay the applicable premium. The individual having some other policy does not waive your responsibilities under the Act. Also be aware of potential issues for the individual. Their other policy might not cover them if by virtue of legislation they were entitled to claim workers compensation from someone who was liable to provide Workers Comp' cover, even if no workers compensation policy existed. That someone might be you.

Can I make my workers 'contractors' with their own ABN, GST registered and a Pty Ltd company?

The Act makes it an offence for an employer to make or force arrangements with workers as a condition of getting work and/or for the employer to avoid workers compensation obligations. It is clearly against the law to engage in such practices; therefore, our advice is simply do not do this.

Would you like to consider the status of your individual contractor more in-depth?

Complete Parts A and B of our **Individual Contractor Assessment**, click "save" and email it back to us. Only tick-a-box answers are required. It is definitely worth a few minutes of your time to complete this form and return it to us for further advice.

Part A of our **Individual Contractor Assessment** has questions specific to a Contract of Service to examine the relationship between you and an individual contractor.

Part B of our assessment is a about a Contract for Performance of Work. It addresses a contractor's business operations to determine and consider if the contractor runs their own independent business.

If I am responsible for the individual contractor, how do I comply with the Act?

Let us know about your contractor(s) and we'll make sure your policy is properly structured. If you don't have a policy already we'll get quotes from the licenced insurers and arrange a new policy. We'll invoice you for the premium payable with payment options.

Does WorkCover WA provide advice about Contractors?

Go to their website here and search contractors and/or read WorkCover's publication "Workers compensation insurance for contractors: Explanatory guide and assessment tool" here.

Have more questions or need further understanding?

Please call us .. we're happy to help.

General Advice Warning

This advice is general in nature and does not replicate the terms and conditions of the applicable policy, the Act or other legislation, which combined, will prevail over this advice and are the final arbiter when determining the extent of cover and indemnity available for a claim.