Workers Compensation Insurance in WA

Individual Contractors

You may have to declare remuneration for Individual Contractors and pay the applicable premium

Under the Workers Compensation And Injury Management Act 2026, an individual contractor can be considered to be your worker despite the individual having an ABN, being registered for GST, a Pty Ltd company or being described as self-employed. None of these things alone mean the individual is not working for you under a contract of service. If the Act is likely to consider them to be your worker you must declare the remuneration you pay to them and pay the applicable premium.

What WorkCover WA says ...

"You must declare the remuneration you pay to an individual contractor if you engage an individual to do work for your business and the work performed by the individual is <u>not</u> in the course of (or incidental to) a trade or business that is regularly carried out by the individual in their own name or a business or firm name."

Also note that if the individual contractor works mostly for you, does not actively operate or advertise their own business, has no workers themselves, and the working relationship with you is practically no different to that with an employee, they are likely considered your worker and you must declare the remuneration you pay to them and pay the applicable premium.

Examples of Individuals <u>likely</u> to be considered your 'Worker'

A specialist diesel mechanic maintains your earthmoving machines...
Gary has an ABN and is registered for GST. You require Gary to service your machines four days a week. He earns most of his annual income from you and a minor amount from two other businesses for irregular work. Without Gary, your machines do not operate and though Gary has his own tools, you provide a servicing roster, duties list and materials. Under the Act, Gary is likely to be considered your worker.

A lady makes deliveries for your auto parts and accessories business...
Jenny collects your delivery list and the stock at your shop daily at 10:00am. She wants to be independent with her own ABN and registered for GST but nevertheless relies on your business as her only source of income. You let Jenny invoice you weekly so her income is regular and you also pay her superannuation and a fuel allowance. Under the Act, she is likely to be considered your worker.

Your fabrication business needs an extra hand...
every quarter when certain large special orders need to be manufactured, packed and delivered. You have a friend, John, who can take time off from his lawn mowing business and agrees to work for you when needed. He invoices you under John's Lawn Care Pty Ltd with his ABN and GST because it suits him for tax purposes. Even though John has his own business, the fabrication work is not part of it, so John is likely to be considered your worker.

Examples of Individuals <u>Not</u> likely to be considered your 'Worker'

John, a mechanical fitter, has his own business called Fast Fitters Pty Ltd
and conducts machine maintenance at your tool and parts factory once a month. Fast Fitters services numerous businesses day in, day out, supplying all tools, equipment and materials and employs an apprentice. Industry magazine advertising is the best source of business for Fast Fitters. John and his apprentice are unlikely to be considered your workers.

Susie owns Flowers 2 You Pty Ltd which delivers goods for your florist business
and many other florists across the city. Flowers 2 You advertises via common internet search engines and in the community newspaper. Susie's secretary talks to your shop assistants daily to coordinate your delivery requirements by any of Flowers 2 You's seven van drivers. Susie would not be considered your worker and neither would her staff.

Your retail swimming pool company has a pool display
and needs to have the latest model pool installed in time for summer. You call Dave from Dive In Quick, a specialist pool installation contractor who does these jobs year round for many swimming pool retailers, builders and home owners. A time is made to do the job in two weeks as Dave has many other jobs booked. Dave is not likely to be considered your worker.

Contractors - Frequently Asked Questions

Refer to our separate document for frequently asked questions about contractors.

Have any queries or need further understanding?

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