



Questionnaire: Contractor Payments

Before completing the questionnaire, please read Revenue Ruling PT6 '[Guidelines on Subcontracting Arrangements and Employment Agents](#)'.

This questionnaire is designed to assist business operators determine whether payments made to contractors are liable for payroll tax in Western Australia. We recommend you answer as many questions as possible and discuss the completed questionnaire to your professional adviser.

If you want the Commissioner of State Revenue (the Commissioner) to examine your contractor arrangements and determine whether payments are liable for payroll tax, send the completed questionnaire to RevenueWA (see page 11). We will review your questionnaire responses and may conduct further inquiries at your work premises. We will advise you in writing of our determination.

The Commissioner would generally be of the view that an employer/employee relationship exists and payments to contractors should be included in payroll tax returns if:

1. the business engages the worker directly or indirectly on an hourly or piecework rate and
2. the payment is wholly or principally for the labour of the worker and
3. the business controls the manner and order in which the work is performed (or the business operator has the authority to do so) and
4. the worker performs the required services at the business operator's place of business (or a place specified by the business operator).

Business details

| | |
|---------------------------|--|
| Client ID (if applicable) | |
| Business name | |
| Nature of business | |
| ABN/ACN | |
| Business address | |
| Contact name | |
| Contact telephone number | |
| Contact email address | |

Please complete a separate questionnaire for each category of contractor.

You do not need to complete this questionnaire if you engage all contractors through a genuine labour hire firm.

Terms used

Achieve a given result usually means the worker's services are not required after satisfactory completion of a task.

Collateral or incidental matters means while you may not exercise direct control due to the nature of the job or the specialised skills of the worker, you may still control incidental matters such as dictating the hours they work or the paperwork they are required to keep such as job reports or timesheets

Labour includes physical exertion as well as services of a non-physical nature such as drafting services, supervision, or other work that a person provides because of their skills and knowledge.

Piecework rate means a worker gets paid by the piece. A piecework rate is based on individual effort – the amount one person has packed, washed or made. Piecework rates are paid by output rather than hourly rates for time worked.

Principal means you/your business.

Relevant Period means the current financial year and the previous five financial years. All questions relate to the Relevant Period.

Tests are applied by the courts to help determine whether the relationship between a worker and a business is more like that of an employer/employee or that of a principal/contractor.

Workers are the individuals who perform services for your business during the Relevant Period. This does not include individuals engaged as employees.

The worker may be engaged as an individual (e.g. *John Smith*) or through an interposed entity (company structure, partnership or trust (e.g. *John Smith Contracting Pty Ltd* or *John Smith Family Trust*).

| Background | |
|--|--|
| What industry does your business operate in? (e.g. construction, retail, agriculture) | |
| What kind of activity does your business usually perform? (e.g. bricklaying, landscaping) | |
| What type of worker performed services for your business? (e.g. plumber, carpenter, project manager, waiter) | |
| List the tasks performed by the worker: | |
| | |

Contract and practical relationship

Did the worker enter into a written agreement or contract with your business?
If yes, please attach a copy of the agreement. ☐ Yes ☐ No

If there was no written agreement, is there any other documentation setting out the terms of the worker's engagement (e.g. email, letter, text message)? If yes, please attach a copy of the correspondence. ☐ Yes ☐ No

If the worker performed services based on an agreement between your business and the worker's interposed company, partnership or trust:

was a particular worker identified as the person who would perform the services for your business? ☐ Yes ☐ No

was the particular worker required to be approved by your business? ☐ Yes ☐ No

if the identified worker was not available, was a replacement required to be approved by your business? ☐ Yes ☐ No

Contract to achieve a given result

Did your business engage contractors:

☐ for a specific period or project?

Please provide details of the time period or project:

☐ on an ongoing basis (whether casual or not)?

☐ to achieve a specified result?

What was the specified result?

Did you make payments to the worker wholly (or mainly) for their labour? ☐ Yes ☐ No

How did you pay the worker?

☐ hourly, daily or other time based rate

☐ on completion of a given result or specific work

What was the result or specific work to be completed?

☐ on piecework rates

☐ on achieving certain milestones

☐ a commission

☐ other:

Which of the following payments did you make to the worker?

- ☐ overtime or penalty rates
- ☐ bonuses or other incentives
- ☐ travel allowance
- ☐ motor vehicle allowance
- ☐ living away from home allowance
- ☐ tool allowance
- ☐ reimbursements (e.g. for materials, equipment, travel costs)
- ☐ other payments

If you ticked any of the above, please provide details:

Control

Selection

How was the worker engaged by your business? (i.e. what name is on the invoice)

- ☐ as an individual/sole trader (e.g. *John Smith*)
- ☐ through the worker's company structure, partnership or trust
(e.g. *John's Plumbing Pty Ltd* or *John Smith Family Trust*)

Did the worker need particular qualifications or skills to perform their services for your business?

☐ Yes ☐ No

If yes, briefly describe those qualifications and skills:

Do any of your employees need to have the same qualifications/skills?

☐ Yes ☐ No

If yes, briefly describe those qualifications and skills:

How did you find the worker?

- ☐ Word of mouth
- ☐ Advertisement
- ☐ Website/Internet search
- ☐ Approached by the worker
- ☐ Tender process
- ☐ Other:

Attendance and regularity

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| Was the worker required to work set days/times? If yes, provide details of the set days/times: | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Was their start and finish time each day recorded? If yes, how was this recorded? (e.g. timesheet, invoice. Provide a copy.) | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| If the worker was unable to perform their services for you for any period (e.g. going on holiday), did they need your permission by submitting a leave application or other advance notification? If yes, provide details of the application or notification: | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Did the worker have access to your business premises or a work site outside normal working hours? (i.e. did they have keys or a passcode to the premises) | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Was the worker expected to be available to work as and when you required while they were engaged? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Did you require the worker to work exclusively for you while they were engaged? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Was the worker required to work away from home? If yes, who made the travel arrangements? (e.g. who organised/paid for the accommodation, travel, were any allowances paid for incidentals/meals etc.) | <input type="checkbox"/> Yes <input type="checkbox"/> No |

Supervision

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| Was the worker supervised or managed? If yes, by who? _____ Describe the nature of the supervision/management: | <input type="checkbox"/> Yes <input type="checkbox"/> No |
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| Was the worker allowed to refuse to perform a task they were qualified to do? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| If yes, provide examples of when this has happened and if there are any consequences for the worker (e.g. termination, reduced hours, variation to contract): | |
| Did you require the worker to perform their services in a way that your business specified? (e.g. by written/verbal instruction or training from you) | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| If yes, please specify: | |
| Did your business have the right to control/direct the worker in any collateral or incidental matters? (See <i>terms used</i> at the start of this form) | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Did anyone check the work carried out by the worker? (e.g. for quality control) | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| If yes, by who? | |
| Was the worker required to report their progress to your business? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| If yes, how and how often? | |
| Tick each of the meeting types the worker was required to attend with your businesses employees or clients: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;"><input type="checkbox"/> general business/work progress</div> <div style="width: 50%;"><input type="checkbox"/> project priorities/progress</div> <div style="width: 50%;"><input type="checkbox"/> planning for future work for the business</div> <div style="width: 50%;"><input type="checkbox"/> other (e.g. safety meetings):</div> </div> | |
| Did the worker assist in training your businesses employees? (including apprentices, trainees, contractors or temporary staff) | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| If yes, who was training provided to? | |
| Did the worker supervise any of your employees? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| If yes, provide details of the supervision and who was supervised: | |

Direction

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| Did your business have the right to control or direct what tasks (and in what priority and sequence) the worker performed on a day-to-day basis? OR Was the priority and sequence of the work carried out solely at the worker's discretion on a day-to-day basis? Please provide details: | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Did your business have the right to terminate the worker's engagement? If yes, under what circumstances could a worker be terminated and how much notice is your business required to give them? (please provide any examples where this has happened) | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Did the worker have the right to stop providing their services to your business? If yes, how much notice is usually requested from them? | <input type="checkbox"/> Yes <input type="checkbox"/> No |

Independent business

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| Tick which of the following entitlements/cover the worker received from your business: | |
| <input type="checkbox"/> annual leave | <input type="checkbox"/> Worker Compensation Insurance |
| <input type="checkbox"/> sick/personal leave | <input type="checkbox"/> payment of union fees |
| <input type="checkbox"/> long service leave contributions | <input type="checkbox"/> social club deductions |
| <input type="checkbox"/> superannuation contributions | |
| Tick which of the following insurances the worker had to provide: | |
| <input type="checkbox"/> Workers Compensation Insurance | <input type="checkbox"/> Professional Indemnity Insurance |
| <input type="checkbox"/> Private Accident Insurance | <input type="checkbox"/> Other: |
| <input type="checkbox"/> Public Liability Insurance | |

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| Did the worker provide a quote prior to being engaged by your business? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| If yes, provide a copy of the quote. | |
| Did you require the worker to submit invoices for payment? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| If yes, how regularly did the worker submit invoices? (Provide a copy of an invoice.) | |
| If no, how were their payments calculated? | |
| Where did the Worker perform the majority of their work for your business? | |
| <input type="checkbox"/> at their own business premises <input type="checkbox"/> at your business premises <input type="checkbox"/> at a site specified by your business (e.g. construction site, mine site) | |
| What materials were used by the worker? (e.g. bricks, cement, tiles, wood etc.) | |
| Who supplied and paid for the materials? | |
| <input type="checkbox"/> your business <input type="checkbox"/> the worker <input type="checkbox"/> your business's client | |
| What plant and equipment was used by the worker? (e.g. bobcat, truck) | |
| Who supplied and paid for the plant and equipment? | |
| <input type="checkbox"/> your business <input type="checkbox"/> the worker <input type="checkbox"/> your business's client | |
| What hand tools were used by the worker? (e.g. hammer, grinder, chainsaw) | |
| Who supplied and paid for the hand tools? | |
| <input type="checkbox"/> your business <input type="checkbox"/> the worker <input type="checkbox"/> your business's client | |
| Did your business contribute towards the cost of any hand tools or plant and equipment provided by the worker? (e.g. a tool allowance or reimbursement) | <input type="checkbox"/> Yes <input type="checkbox"/> No |

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| Tick which of the following your business supplied the worker with: <input type="checkbox"/> a vehicle <input type="checkbox"/> a uniform or clothing bearing your business's name <input type="checkbox"/> a mobile phone <input type="checkbox"/> a laptop <input type="checkbox"/> safety clothing/footwear <input type="checkbox"/> consumable items (e.g. paper, glue, nails etc.) <input type="checkbox"/> business cards | |
| Did the worker supply any other workers to your business? If yes, provide details of those workers: | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| If the worker made a mistake, did they have to fix it in their own time at their own cost and risk making a loss? <i>Note: If the worker can invoice you for the hours they worked to fix the mistake, or if you paid for the materials required for the fix, please answer 'NO'</i> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Did the worker or their company/trust operate a business independent of your business? | <input type="checkbox"/> Yes <input type="checkbox"/> No |

| Power to delegate | |
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| Could the worker delegate work or tasks to: <input type="checkbox"/> an employee of your business? <input type="checkbox"/> another worker engaged by your business? <input type="checkbox"/> any other person? | |
| If you ticked any of the above, when did this occur and to whom? who paid the person that carried out the delegated work? <input type="checkbox"/> your business <input type="checkbox"/> the worker <input type="checkbox"/> someone else - who: | |
| before delegating the work, did you require the worker to get permission from your business or give you any notice? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| If the worker could not complete their work in the time required (e.g. due to holiday or illness), who was responsible for finding a replacement? <input type="checkbox"/> your business <input type="checkbox"/> the worker <input type="checkbox"/> someone else - who: | |

| Integration | |
|---|--|
| Does your business usually require the services performed by the worker? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Could your business have operated without the services performed by the worker? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Do any of your employees perform the same services as the worker? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>Did the worker work</p> <p><input type="checkbox"/> alone? <input type="checkbox"/> as part of a team (with your employees and/or other workers)?</p> <p>Provide details:</p> | |
| <p>Did you provide/pay for any training courses or manuals for the worker?</p> <p>If yes, provide details:</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Did you require the worker to wear a uniform or badge (or any items displaying your business logo)? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>Has the worker ever been engaged as an employee of your business, either before or after this engagement?</p> <p>If yes, how did their role change?</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No |

| Other information |
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| <p>Please provide other information you consider may be relevant or attach a separate sheet.</p> |

If you want RevenueWA to examine your contractor arrangements and determine whether the payments to contractors are liable for payroll tax, please complete the section below and send the questionnaire to:

Return to:

RevenueWA
Self Assessments
GPO Box T1600
PERTH WA 6845

For further information:

Phone: (08) 9262 1300 or 1800 368 364 (WA country callers)
Web enquiry: www.osr.wa.gov.au/payrollenquiry
Website: WA.gov.au

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| Name of person completing this form: | |
| Signature: | Date: |

See the following pages for some information that may assist you in determining whether a worker is an employee or a contractor.

Employee or contractor: quick test**Ask yourself - Is the worker acting for your business or their own business?**

The following factors can assist you to determine whether the relationship between your business and a worker is more employer/employee or principal/contractor.

- Is the person providing the services paid on a time basis (e.g. hourly rate) rather than on a per job basis?
- Is the contract wholly or principally for labour?
- Does the person requiring the services have the authority to control or direct the manner in which the work is to be performed?
- Is the person providing the services prevented from delegating or subcontracting his/her work to another person without approval?
- Is the person providing the services engaged for a lengthy period or on a continuing basis?
- Are the services provided by the worker ordinarily required by the person requiring the services in the normal course of their business?
- Is the person providing the services performing work similar to work carried out by an employee in the organisation?
- Are the work hours defined?

If the majority of answers to these questions is YES, it is a strong indication the person providing the services is an employee and payments made to that person would be subject to payroll tax.

Common myths

The following are reasons businesses incorrectly believe the worker is an independent contractor:

| Reason | Explanation |
|--|---|
| They have an ABN | Having an ABN does not determine whether a worker is an employee or independent contractor for payroll tax purposes. |
| They supply their own vehicle | If the worker drives their own vehicle to site/work carrying their work tools, this does not mean they are an independent contractor. However, a worker who supplies a specialised vehicle, such as a refrigeration truck to transport goods, may indicate the worker is an independent contractor. |
| Their partner works with them, therefore they have employees | While a worker who has employees may indicate an independent business, paying your partner a wage does not mean you are conducting an independent business. |
| They were engaged as a company (e.g. John's Plumbing Pty Ltd) | A worker can be engaged as an individual through a company structure, partnership or trust. This does not mean they are an independent contractor. |
| ATO says they are a contractor | ATO uses different rulings to RevenueWA. Their rulings are not an indicator of RevenueWA's employee/contractor determination. |
| We don't pay them sick leave or annual leave | This does not indicate an independent contractor as most casual employees aren't entitled to sick leave or annual leave either. |
| We don't pay them superannuation or withhold tax | The ATO states that contractors paid mainly for their labour are employees for superannuation guarantee purposes (even if the worker has an ABN). For payroll tax purposes, the fact you are not paying superannuation or withholding tax from a worker does not mean an employee/employer relationship doesn't exist. |
| They supply an invoice, they aren't on the payroll | Submitting an invoice for work done or being 'paid on invoice' doesn't make a worker an independent contractor. |
| They provide their own tools | This does not indicate an independent contractor as most tradespeople will supply their own small tools and hand tools. |
| They only provide services when they are available | Employees can also work when they are available (casuals), part-time or full-time. |
| They don't work full time for us | |

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| We didn't have enough work to justify making them a full-time employee so we pay them as a contractor instead | Whether a worker is classed as an employee or an independent contractor is not a matter of choice when it comes to payroll tax liability. It depends entirely on the relationship between the parties. |
| They wanted flexibility in their attendance so asked to be paid as a contractor instead | |
| They signed a contract that stated they are a contractor, not an employee | If a worker is deemed to be an employee at common law, a contract saying the worker is a 'contractor' will not make the worker a contractor. The relationship between the parties will determine the arrangement. |
| The contractor is classed as a contractor under other State's laws | Other States, laws and governing bodies have different rules for contractor determinations. These cannot be used for RevenueWA contractor determinations. |
| They don't work more than 80% of their time for our business | The 80% rule, or 80/20 rule relates to personal services income (PSI) for a contractor and can affect how they report income on their tax return to the ATO. It does not factor into determining whether a person is an employee or an independent contractor for payroll tax. |

| Examples | | |
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| These general examples distinguish between assessable (as an employer-employee relationship) and not assessable contracting arrangements. | | |
| Example | Assessable | Not assessable |
| 1 | The company engages labourers through word-of-mouth to assist with ongoing construction. The company pays these workers an hourly rate and requires them to work set times. The workers provide their own hand tools but the company provides all the materials for the build. | The company searches the internet to find a landscaper to carry out the landscaping for an apartment building. ABC Landscaping quotes for the job and issues the company with an invoice at the completion of the job. The company pays the invoice and the landscaper ceases their engagement. |
| 2 | ABC Transport pays a worker an hourly rate to deliver goods to their customers. The company provides the delivery truck for the worker's use. | ABC Transport has deliveries due in excess of the staff capabilities. It engages a worker with his own truck who quotes an hourly rate to deliver goods to the client during the busy period. After the excess deliveries are made, the worker's services are no longer required. |
| 3 | During the peak growing season, ABC Wines needs to bring on extra help to maintain the vineyard. The owner finds a | During the peak growing season, ABC Wines needs to bring on extra help to maintain the vineyard. The owner |

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| | worker via word-of-mouth, engages them on an ongoing basis and pays them an hourly rate. The worker works as part of a team with the vineyard's employees. | searches the internet and finds a group of four workers who supply their services as a team. The vineyard and the workers enter into an agreement for 6 weeks work for which they will be paid at a piecework rate (per vine pruned). During their agreement, two of the workers get sick. Without requiring approval to do so, the team brings in two new workers to finish out the contract. |
| 4 | An IT company engages ABC Consulting to provide internet and phone support services to their customers. The two parties sign an agreement that states John Smith will personally be providing the services for an hourly rate, paid weekly upon presentation of an invoice. | An IT company engages ABC Consulting to provide internet and phone support services to their customers. The two parties sign an agreement and ABC Consulting sends a worker to provide the services. When that worker is unwell or unavailable, ABC Consulting sends a different worker to provide the services. |