



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

Was the worker required to work set days/times? If yes, provide details of the set days/times:	☐ Yes ☐ No
Was their start and finish time each day recorded? If yes, how was this recorded? (e.g. timesheet, invoice. Provide a copy.)	☐ Yes ☐ 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:	☐ Yes ☐ 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)	☐ Yes ☐ No
Was the worker expected to be available to work as and when you required while they were engaged?	☐ Yes ☐ No
Did you require the worker to work exclusively for you while they were engaged?	☐ Yes ☐ 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.)	☐ Yes ☐ No

Supervision

Was the worker supervised or managed? If yes, by who? _____ Describe the nature of the supervision/management:	☐ Yes ☐ No
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Was the worker allowed to refuse to perform a task they were qualified to do?	☐ Yes ☐ 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)	☐ Yes ☐ 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)	☐ Yes ☐ No
Did anyone check the work carried out by the worker? (e.g. for quality control)	☐ Yes ☐ No
If yes, by who?	
Was the worker required to report their progress to your business?	☐ Yes ☐ 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: ☐ general business/work progress ☐ project priorities/progress ☐ planning for future work for the business ☐ other (e.g. safety meetings):	
Did the worker assist in training your businesses employees? (including apprentices, trainees, contractors or temporary staff)	☐ Yes ☐ No
If yes, who was training provided to?	
Did the worker supervise any of your employees?	☐ Yes ☐ No
If yes, provide details of the supervision and who was supervised:	

Direction

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:	☐ Yes ☐ 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)	☐ Yes ☐ 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?	☐ Yes ☐ No

Independent business

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

Did the worker provide a quote prior to being engaged by your business?	☐ Yes ☐ No
If yes, provide a copy of the quote.	
Did you require the worker to submit invoices for payment?	☐ Yes ☐ 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?	
☐ at their own business premises	
☐ at your business premises	
☐ 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?	
☐ your business ☐ the worker ☐ 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?	
☐ your business ☐ the worker ☐ 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?	
☐ your business ☐ the worker ☐ 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)	☐ Yes ☐ No

Tick which of the following your business supplied the worker with: ☐ a vehicle ☐ a uniform or clothing bearing your business's name ☐ a mobile phone ☐ a laptop ☐ safety clothing/footwear ☐ consumable items (e.g. paper, glue, nails etc.) ☐ business cards	
Did the worker supply any other workers to your business? If yes, provide details of those workers:	☐ Yes ☐ 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>	☐ Yes ☐ No
Did the worker or their company/trust operate a business independent of your business?	☐ Yes ☐ No

Power to delegate	
Could the worker delegate work or tasks to: ☐ an employee of your business? ☐ another worker engaged by your business? ☐ 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? ☐ your business ☐ the worker ☐ someone else - who:	
before delegating the work, did you require the worker to get permission from your business or give you any notice?	☐ Yes ☐ 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? ☐ your business ☐ the worker ☐ someone else - who:	

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

Other information
Please provide other information you consider may be relevant or attach a separate sheet.

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

Name of person completing this form:	
Signature:	Date:

Privacy statement

The Commissioner of State Revenue collects personal information under the authority of the *Taxation Administration Act 2003* and the *First Home Owner Grant Act 2000* (Acts) for the purposes of administering and enforcing those Acts and the State revenue laws. The collected information is protected by the confidentiality provisions in the Acts. We will not use your information outside of revenue administration purposes or share your information without your consent except in circumstances required or authorised by law.

See www.wa.gov.au/organisation/departments-of-treasury-and-finance/revenue-wa-privacy-and-personal-information for details about how your personal information is handled.

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	

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		
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

	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.