



Finance Schedule 1 – Consultants and Contractors internal assessment

Table 1: Employee, consultant and contractor descriptions

Employee	<p>An employee normally:</p> <ol style="list-style-type: none">1.is contracted wholly or principally for the supply of their labour, and will have their work controlled by the assigned supervisor;2.is unable to delegate their responsibilities to another entity for completion of the contract; is paid for time worked, commonly on an hourly basis;3.receives paid leave, unless employed on a casual basis;4.is not responsible for providing the materials or equipment needed to perform their work responsibilities; must perform the duties of their position;5.agrees to provide their personal services;6.has work hours set by an agreement or award or individual contract; and is recognised as part of the University's business.
Consultant	<p>A consultant is a particular type of contractor, including an individual, partnership, trust or company, who is engaged under contract on a temporary or fixed term basis:</p> <ol style="list-style-type: none">1.to provide expert analysis or high level specialist or professional advice or services to assist or influence University decision making;2.to perform a specific one-off task or set of tasks independently involving skills or perspectives not normally available within the University;3.where the nature of the output is not necessarily predictable, but tends to be open ended and is more complex; and4.to develop new concepts or processes which require critical judgement by the University to consider the recommended course of action.
Contractor	<p>An entity (including an individual, partnership, trust or company) engaged under a contract (other than an employee or consultant) to produce a designated result for an agreed price. In most cases an independent contractor will meet the following requirements:</p> <ol style="list-style-type: none">1. is contracted to perform work to deliver a known outcome or product or function. This will include non- professional services such as trade service providers and cleaning services;2. provides all or most of the necessary materials and equipment to complete the work; is free to delegate work to other entities;

	<p>3. subject to the conditions of the contract or arrangement, has freedom in the way the work is done; requires minimal input or supervision from the University;</p> <p>4. provides services to the general public and other businesses; is free to accept or refuse work; and</p> <p>5. is in a position to make a profit or loss. The key distinction between a consultant and an independent contractor is that:</p> <p style="padding-left: 40px;">a. a consultant produces recommendations to which the University may then apply critical judgement to determine a course of action; and</p> <p style="padding-left: 40px;">b. a contractor is engaged to undertake work or a defined function.</p>
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Table 2: Indicative factors to consider

Indicative Factors	Employee	Contractor
Control over work	The University has an implied right within employment law to direct and control the work of an employee. The employee works in the business of the employer and the employer is free to manage their business as they see fit.	The University has a right to specify how the contracted services are to be performed. However, such control must be specified in the terms of the contract, otherwise the contractor is free to exercise their own discretion
Independence	An employee performs work for the University in accordance with an employment contract or enterprise agreement.	A contractor performs services as specified in a contract with the University and provides additional services only by agreement.
Payment	Payment is often based on the period of time worked, but an employee can also work on 'piece rates' or commission.	Payment is dependent on the performance of the contract services.



Commercial Risk	An employee generally bears no legal risks in respect of the work; since the employee works in the business of the University, the University is legally responsible for any work performed by the employee.	A contractor bears legal risk in respect of the work. They have the potential to make a profit or loss, and must remedy any defective work at their own expense.
Ability to Delegate	An employee performs the work personally and generally cannot subcontract the work to someone else.	Unless otherwise specified in the contract, a contractor can subcontract or delegate the work.
Tools & Equipment	The University, except when specifically agreed otherwise, usually provides tools and equipment.	Generally, a contractor provides their own tools and equipment.
Manner of Performance	An employee performs work at request of University and work is an integral part of business of the University.	Contractor maintains a degree of discretion as to how work is performed, although there may be requirements as to materials used and method of performance. Although work of contractor is done for the University's business, it is not integrated into it.
Place of Performance	Employee usually performs work on the University's premises using University assets and equipment.	Contractor generally provides all their own assets and equipment. Work can be performed anywhere.
Hours of Work	Worker works set hours usually determined by the University.	Worker sets their own hours.
Expenses	Generally reimbursed for expenses in course of performing the work.	Generally incurs own expenses.



Appointment	Generally recruited through an advertisement by University, except for casuals and some fixed term employees.	Worker likely to advertise services to public at large.
Termination	University reserves right to dismiss worker in accordance with the enterprise agreement or employment contract.	University may only terminate contract without penalty if worker has not met conditions of contract. Contract contains terms dealing with breaches by either party.
Taxation	An employee pays PAYG tax which the employer pays on behalf of the employee.	A contractor usually deals with their own tax. A contractor must have an ABN (or exemption from the ATO).
Relationship to University	An employee is an integral part of the University.	A contractor's work is usually an accessory to the University's business.
Ability to accept other work	A full-time employee is usually restricted to work for the one employer during normal business hours.	A contractor can accept as many contracts as they wish.
Right to refuse work.	An employee does not have the right to refuse a reasonable task.	A contractor usually agrees to the tasks beforehand. The contract governs the tasks that must be performed.



DOCUMENT HISTORY

Date	Approved by	Nature of Amendment
July 2021		This schedule replaces 'Appendix 1 – Indicative factors to consider', previously associated with the Contractor or Employee Status Policy.

