Procedure: Sole traders

Purpose
To inform staff of the University’s stance on engaging individual contractors to provide services to the University.

Procedure

1. It is the University’s preference to minimise dealings with individual contractors (ie. individual service providers paid through accounts payable), as entering into a contract for services with an individual can generate significant risk exposures for both the individual and the University as:

2. Individual contractors often do not have their own insurances (eg. public liability, and professional indemnity insurances), and are not personally covered by University policies.

3. Depending on the specific circumstances, the individual may be viewed by the relevant government authorities as an employee for taxation and/or superannuation and/or workers compensation purposes, irrespective of the fact that the University has decided to treat them as a contractor.

4. As such:

   a. Any individual (other than Medical Practitioners and Barristers) providing teaching/lecturing services for more than 5 days during any one calendar year must be engaged as an ANU employee, and may not be engaged as an individual contractor.

   b. An Employee/Contractor Checklist must be completed where the University is considering paying an individual (through accounts payable) to provide a service.

   c. A delegate must not approve a payment (through accounts payable) to an individual for a service, where the Employee/Contractor Checklist indicates the individual should be treated as an employee.

   d. Engaging an individual as a contractor should be a last resort. A delegate must consider other alternative service providers/methods of engagement, prior to engaging an individual as a contractor.
5. alternative service providers: non–individuals such as companies, partnerships, trusts who offer a similar service to the proposed individual contractor.

6. alternative methods of engagement: Lower risk options for procuring the services of individuals include:

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<th>Option</th>
<th>Details</th>
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<td>Contract with an individual’s home institution/employer where possible.</td>
<td>If an individual’s presence at the University is sanctioned by their home institution (e.g. another university (Australian or International), government department, etc), the University should enter into a contract with the individual’s home institution and NOT the individual. Accordingly, any payments should be made direct to the home institution and not to the individual. This will ensure that any taxation, superannuation, insurance and workers compensation obligations are managed by the individual’s home institution (these obligations are most effectively managed in an employer–employee relationship). The contract should ensure that home institution continues to provide insurance coverage (professional indemnity, public liability, workers compensation) for their employee while they are performing work at the University.</td>
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<td>Consider changing the nature of the University’s proposed relationship with the individual and engage the individual as a fixed term or casual employee.</td>
<td>This option ensures that the individual is covered by University insurance policies (including professional indemnity, public liability, workers compensation etc) and provides a mechanism for administering superannuation guarantee obligations (through the University payroll system). An employment contract must be entered into.</td>
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<td>Refer the individual to a</td>
<td>This option ensures superannuation, taxation,</td>
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7. Where a decision is made to engage an individual as a contractor to provide a service to the University, a delegate must ensure that a written contract is entered into where:
   - The work will be done in Australia, and individual will be paid more than $2000 in any one calendar year by the University; OR
   - The work will be undertaken in a country other than Australia, and the individual will be paid more than $5000 in any one calendar year by the University.

8. In all other circumstances, a contract may be entered into at the discretion of the delegate. The delegate refers to the delegate authorising the purchase of goods and services (including the signing of related purchasing contracts) (ie. Finance Delegation 220).