



THE UNIVERSITY
of ADELAIDE

Contractor Engagement Changes

August – September 2022



Objectives

- Provide background to the changes
- What is the new process?
- What is the transition?
- What do I need to do next?

Why?

- To comply with Fair Work Commission (FWC) and ATO requirements for engagement of contractors.
- To comply with the University's framework for engagement of contractors.
- The current process requires staff to complete contractor questionnaires at the time of procurement followed by remedial activity to identify additional payments.
- This process is manual and involves analyzing transactions paid through Accounts Payable in arrears to identify further payments and reporting obligations.
- The Finance system does not support all of the required employer entitlement calculations and payments (eg. Superannuation).



What are the benefits of this change?

What are the benefits?

- Business areas will have upfront knowledge about the full cost of contracting engagements.
- Contractors will receive synchronised and timely payments for all services and entitlements.
- Transparency of information regarding the assessment and obligations with regard to external parties.
- The University will be compliant with entitlements and reporting obligations, to contractors and external bodies.
- Protection for the University and for individuals to mitigate the risk of personal (over \$13,000) and corporate liability (\$66,000) for any/each incorrect contracting arrangement.



What is the new process?

Key aspects of the new process

2 online forms to support the compliance assessment, workflow, approval and communication of outcomes to all parties.

Compliance assessment

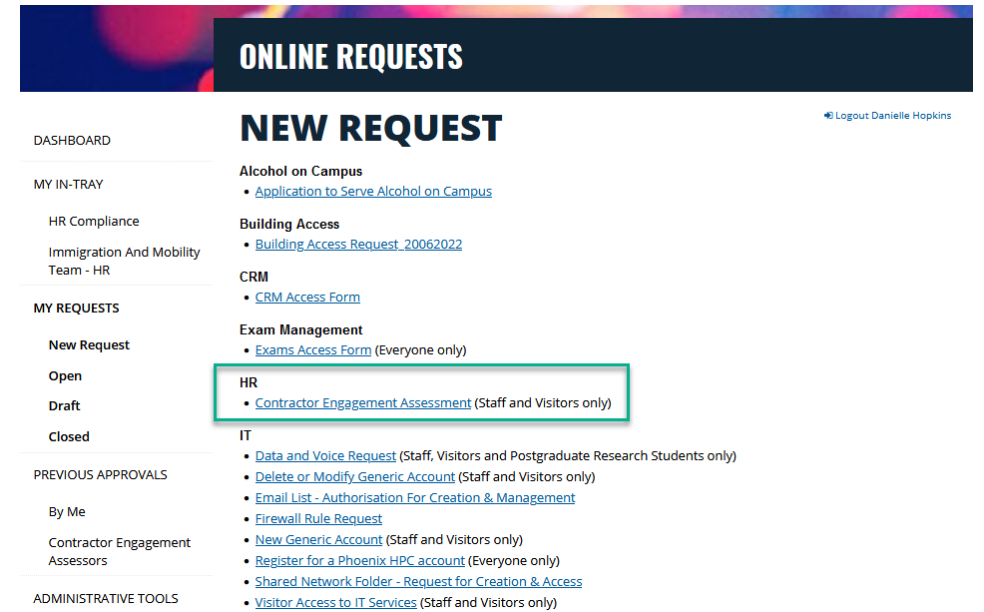
An **upfront** compliance assessment will be required for any new worker or service agreement. This can be done once the services and deliverables are agreed but while a legal document is still in draft.

Payment

Where a compliance assessment determines that this is a contingent worker arrangement, a new payment request form is required, to be submitted by business areas for financial approval, then a compliance review by HR.

The forms are available to any continuing or fixed-term staff member.

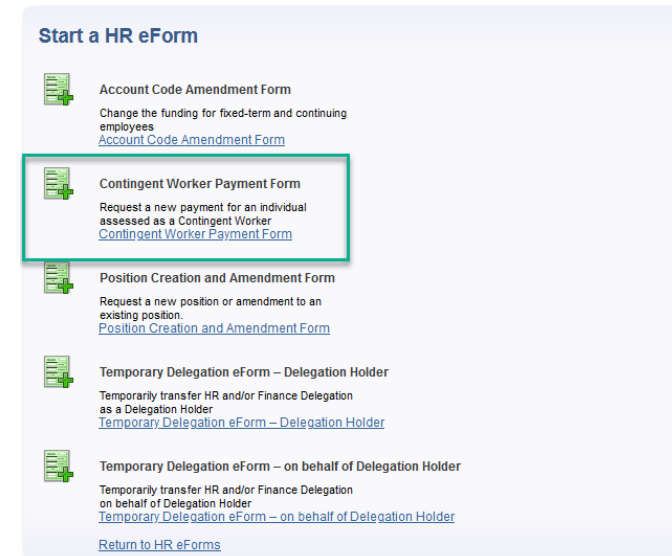
Supported by a new [Contractor Management](#) website in HR with additional resources and guidelines.



ONLINE REQUESTS

NEW REQUEST Logout Danielle Hopkins

- Alcohol on Campus**
 - [Application to Serve Alcohol on Campus](#)
- Building Access**
 - [Building Access Request_20062022](#)
- CRM**
 - [CRM Access Form](#)
- Exam Management**
 - [Exams Access Form](#) (Everyone only)
- HR**
 - [Contractor Engagement Assessment](#) (Staff and Visitors only)
- IT**
 - [Data and Voice Request](#) (Staff, Visitors and Postgraduate Research Students only)
 - [Delete or Modify Generic Account](#) (Staff and Visitors only)
 - [Email List - Authorisation For Creation & Management](#)
 - [Firewall Rule Request](#)
 - [New Generic Account](#) (Staff and Visitors only)
 - [Register for a Phoenix HPC account](#) (Everyone only)
 - [Shared Network Folder - Request for Creation & Access](#)
 - [Visitor Access to IT Services](#) (Staff and Visitors only)

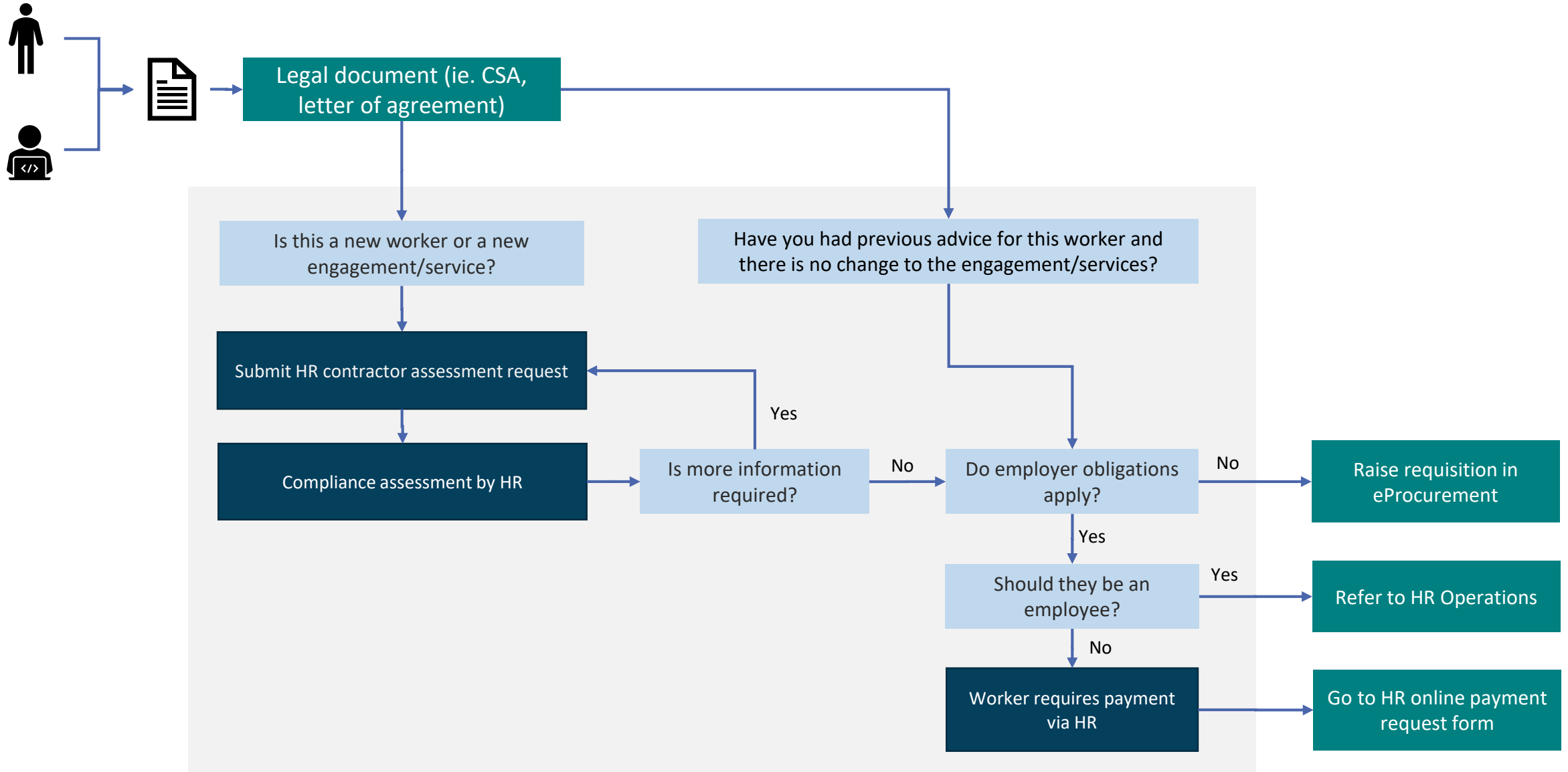


Start a HR eForm

- Account Code Amendment Form**
Change the funding for fixed-term and continuing employees
[Account Code Amendment Form](#)
- Contingent Worker Payment Form**
Request a new payment for an individual assessed as a Contingent Worker
[Contingent Worker Payment Form](#)
- Position Creation and Amendment Form**
Request a new position or amendment to an existing position.
[Position Creation and Amendment Form](#)
- Temporary Delegation eForm – Delegation Holder**
Temporarily transfer HR and/or Finance Delegation as a Delegation Holder
[Temporary Delegation eForm – Delegation Holder](#)
- Temporary Delegation eForm – on behalf of Delegation Holder**
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[Return to HR eForms](#)

What is the new contractor assessment process?



Demo of Contractor Engagement Assessment form

Human Resources

Home / hr / Contractor Management
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Contractor Management

The University of Adelaide may engage contractors to provide paid services to the organisation. Prior to engaging a contractor, it is essential to obtain the necessary information to determine if it is appropriate to engage them as a contractor, contingent worker or employee.

Contractors are not employees of the University, however, there are circumstances in which employer obligations such as superannuation and payroll tax apply to these individuals. In these circumstances the contractor must be paid through the Human Resources contractor payment process.


The contractor management process consists of two key stages: the assessment of contractor engagements and the payment of contractors.

There are detailed FAQs in each of the contracting topic areas below that give further guidance related to people based overseas, sham contracting, former staff and types of contracting engagements.



Contractor Assessment Form

The assessment form helps to determine the engagement type such as a contractor, contingent worker or an employee.



Contingent Worker Payment

Contingent Worker Payments will be made through Human Resources

- Home
- Enterprise Agreement
- Salary and Benefits
- HR Handbook
- HR Documents
- HSW
- HR Online Systems
- Organisational Development
- Recruitment
- Contractor Management**
- About HR
- Contact Us
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- News
- Events
- Working at Adelaide

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DASHBOARD

- MY IN-TRAY
 - HR Compliance
 - Immigration And Mobility Team - HR
- MY REQUESTS
 - New Request**
 - Open
 - Draft
 - Closed
- PREVIOUS APPROVALS
 - By Me
 - Contractor Engagement Assessors
- ADMINISTRATIVE TOOLS

Who do/don't I have to do this for?

This applies to contractors where there is a labour component to the service. It does not apply to supplier of equipment/goods only.

Can I engage someone as an independent contractor to conduct teaching-related duties?

Existing arrangements for contractors performing teaching and related duties may continue until their natural end date but may not be extended or renewed. The majority of new arrangements are required to be effected by way of an employment contract. Exceptional circumstances will be considered by the Executive Director, HR, via the contractor management project team.

What if I have previously paid someone through eProcurement?

This may need to change. For some contractors where the University has employer obligations, you will be required to assess the next engagement then request payment via HR.

Does being paid through HR make them an employee?

*No, the HR system supports arrangements for a range of people, not all of whom are employees. The employer obligation of superannuation or payroll tax is required to meet legislative requirements and **does not** make these individuals employees.*

What details will be required from contractors?

In addition to personal details (name, address, email), contractors may be required to provide an ABN, choice of fund superannuation details, bank account details. HR will contact the relevant person if payment is required via the HR system.

Can contractors choose their own superannuation fund?

Yes, contractors can choose their own super fund. HR will seek these details from the contractor.

What obligations do I have as an employee?






Employees can be held personally liable (a penalty of \$13,000) for incorrect contracting arrangements. It is your responsibility to consult with relevant parties to ensure there is a legal document covering the contracting arrangement and that you have sought advice on the correct payment pathway.

Key Messages

- Complete an assessment as soon as you can. A Consulting Services Agreement or supporting document(s) describing the work will be required.
- Turn around time will vary depending on the details and whether advice (ie. Legal) is required. Please allow as much time as possible.
- A Contractor Engagement Assessment will advise one of 3 outcomes:
Contractor – Finance will setup the contractor as a supplier and normal procurement process applies
Employee – Contractor Compliance Officer will advise the requestor to set up the person as a casual HR employment contract
Contractor/Contingent Worker – will work flow through to HR Ops Team for set up in HR Peoplesoft. Superannuation Guarantee Contributions and potential payroll tax liabilities apply to engagements within this category.
- If you are referred to Finance, a PDF copy of the assessment form is required as evidence of a compliance assessment.
- Being paid via the HR system doesn't make someone an employee, please be careful how you communicate with contractors.

Demo of Payment Request form

Star¹a HR eForm

-  **Account Code Amendment Form**
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[Return to HR eForms](#)

When will payments be made?

Payments to individuals bank accounts and superannuation funds occur fortnightly.

<https://www.adelaide.edu.au/hr/about-hr/hr-processing-timelines#payroll-processing-deadlines-2022>

What should I budget for contractors where there are additional payments?

We recommend you budget 15% for oncosts. 10.5% superannuation applied from 1 July 2022, payroll tax varies but 4.95% can be used as a guide.

Who are the financial delegates?

*The financial delegates who approve payment requests are **staff from a business area** with a [formal financial delegation](#). The delegate will be identified based on the total contract value associated with the engagement.*

What if an invoice or bank account is not in Australian Dollars (AUD)?

Invoices must be in Australian dollars (AUD). The HR system supports payments in AUD to bank accounts for individuals that are offshore.

What if a contractor does not provide an ABN?

Generally contractors look after their own tax obligations, so as an employer we do not withhold tax unless an ABN is not provided. If an ABN is not provided tax will be withheld at the top tax rate.

How will contractors receive confirmation of payment?

Contractors will receive a system generated email confirming the processing of payment with advice that they will receive the payment within 2 weeks. This email is also received by the staff member who requested the payment.

What will I see in my BI/Cognos reports?

Actuals for payments made via HR will appear in Financial reporting on a fortnightly basis, summarized at the account code level. The next stage of the project will be working on a reporting dashboard for staff responsible for finance planning and budgeting.

Key Messages

- Where entitlements apply, payment requests go to HR. Requisitions and POs are not required.
- Contractors will need to provide invoices to you for submission via the new eForm.
- The Consulting Services Agreement and the invoice need to be attached to the request form.
- Budget for 15%
 - Superannuation of 10.5% applies as from 1 July 2022
 - Payroll tax is approximately 4.95% (SA based)
- Payroll tax (PRT) is calculated annually at the end of the financial year. It is typically based on the total days worked during the financial year. If a contractor works for multiple departments and PRT applies then the costs will be shared.

Responsibilities of University employees

Task	Responsibility Matrix					
	Legal and Risk	Immigration and Mobility	Finance	HR	Faculty and Divisions	Contractor
Ensure there is an appropriate legal agreement between the University and an external party	C	-	-	-	R, A	
Provide advice and assessment on the University's entitlement obligations in relation to agreements with external parties	C	C	I	R, A	C, I, A	C, I
Engagement with contractors over details required for payment	-	-	R, A	R, A	C, I	C, A
Ensure appropriate payment pathways are followed and submit timely requests for payment	-	-	C	C	R, A	I
Ensure payments are within budget and approved contract/engagement amounts					R, A	
Review and provide financial approvals	-	-	-	-	R, A	-
HR compliance assessment and approval of submitted payment requests for contractors	-	-	C, I	R, A	C, I	I
Timely processing of payments via AP or HR	-	-	R, A	R, A	-	-
Superannuation payments made to clearing house	-	-	-	R, A	-	-
Reporting obligations for PAYG and PRT	-	-	C, I	R, A	C, I	I
Reporting obligations for GST	-	-	R, A	R	-	-

Responsible

Responsible for actually doing the task

Accountable

Will be held responsible of the task is not completed on time or delayed

Consulted

May need to be consulted before the task is complete

Informed

Need to be advised of the task and its status

Transitioning

- Supplier records will be inactivated in the Finance system for contractors who have conducted work previously
- The purchasing team in Finance will be checking and requesting evidence of a compliance assessment (as they do now with the questionnaire).
- Open Purchase Orders will remain open until all services / goods are received and paid. Any further contracting work will require setup in the HR system and payment via the eForm.
- If you have an open PO and are advised that the contractor has entitlements that apply, please start the assessment process now to enable their setup in HR.



What do I do from here?

- Check information on the [HR Contractor Management](#) site
- Start assessment processes as soon as possible to avoid delays to payment.
- Communicate with your contractors in terms of;
 - Payment obligations
 - Where they are to send invoices for payment
 - Providing you with days worked for payroll tax reporting

Who do I contact for support?

Type	Provides support for	Contact details
HR Service Centre	<ul style="list-style-type: none"> • General enquiries relating to HR recruitment, employment and contracting • First point of contact for payroll enquiries • First point of contact for changes of personal, banking, superannuation details 	<p>P: 08 8313 1111</p> <p>E: hrservicecentre@adelaide.edu.au</p>
Finance Support	<ul style="list-style-type: none"> • Requisitions and purchasing for existing suppliers • Queries regarding payments to suppliers and open purchase orders 	<p>Phone: (08) 8313 3414</p> <p>Email: finprosupport@adelaide.edu.au</p>
Legal and Risk	<ul style="list-style-type: none"> • Advice on new contract arrangements and legal documents 	<p>helpdesklegal@adelaide.edu.au</p>
HR Contractor Compliance & Payroll	<ul style="list-style-type: none"> • Specialist advice on contingent worker and contractor engagements • Escalated support for payroll and payment enquiries • Escalated support for superannuation and tax enquiries 	<p>contractormgmt@adelaide.edu.au</p>

Questions?

For further FAQs please visit [HR Contractor Management](#)

Future [webinars](#)

Thank you for your time and support