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NSW WORKERS COMPENSATION

PRINCIPAL CONTRACTOR ISSUES

Some subcontractors are also treated as workers and the principal contractor must cover them for workers compensation and declare any payments made by them to their employees as wages.

If you are a principal contractor who engages subcontractors to undertake work for you, you should also ensure that your subcontractors have taken out appropriate workers compensation for their workers and their premium payments are up to date.

You should check that your subcontractors:

- are classified in the correct industry
- have declared an appropriate amount of wages for their insurance cover
- have signed a statement that there are no outstanding liabilities and that all workers compensation premiums applicable for that work have been paid.

This only applies when a subcontractor is engaged to carry out work relating to your business as the principal contractor.

If you fail to carry out these checks you may be liable for your subcontractor's unpaid workers' compensation premiums.

To help you with these checks you should ask for a **subcontractor's statement**.

http://www.workcover.nsw.gov.au/_data/assets/pdf_file/0019/15904/subcontractors_statement_5483.pdf