Workers Compensation

Liability to provide workers compensation also depends on the distinction between an employee and an independent contractor. The pivotal definition under the *Workers' Compensation and Assistance Act 1981 (WA)* is that of the term ‘worker’. An employee and a contractor will be within the definition if he/she:

- is engaged by another person to do work which is for the purpose of the other person’s trade or business; and

- is paid in substance for his/her personal manual labour or services.

The definition stipulates that the personal labour of the contracting party is needed. Thus a contract, which does not require the personal labour of the contracting party, is outside this definition. The interposing of a company, partnership or trust therefore removes from the University the liability to provide workers compensation as those entities cannot provide labour.