

Building and Construction Industry CONTRACTOR GUIDE

Are you a contractor?

Whether you're an employee or a contractor (i.e. self-employed worker) will determine how your service is recorded with the scheme. If you're unsure if you're an employee or a contractor, there's information available on the www.ato.gov.au and www.fairwork.gov.au websites.

What to do if you're a contractor?

Register – If you're not already registered, you can complete a registration via the [Worker Portal](#).

Lodge service – To have service credited to your record, you'll need to have a registered tax agent lodge a Self-Employed Worker Certificate of Service for each year you perform eligible building and construction work in NSW. These certificates can be completed online via the [Tax Agent Portal](#).

For certificates to be considered more than two (2) financial years in the past, you'll need to provide reasons for the delay in lodging the certificates. You can do this via the [Worker Portal](#) or contact us [online](#).

Check and update your details – Keep your contact details up to date and check your service record regularly. You can do this online via the [Worker Portal](#) or by contacting us.

Books and records – Keep your financial records relating to service credits for a period of at least six (6) years after the last entry.

How is my service calculated?

As a contractor your service is calculated on your income, not on the amount of days worked. Your income is calculated as your annual gross income from eligible building and construction work performed in NSW, less any prescribed costs relating to materials, services and labour.

Where your income is equal to or greater than the award rate, 220 days of service will be added to your record (220 days = 1 year). Where it is less, a proportional number of days will be added. GST is not applicable.

The award rate for the 2021-2022 financial year is \$51,306. This is based on the standard rate of pay for a carpenter/joiner under the [Building and Construction General On-site Award 2020](#).

For example, if your income was \$36,000 the following formula would be used to calculate the number of days added to your record:

Example

$$\frac{\text{Income}}{\text{Award Rate}} \times 220 = \text{Days}$$

\$36,000

Assessable income

Your assessable income is the total derived from eligible building and construction work performed in NSW. This doesn't include any income earned whilst working as an employee, or working interstate or overseas. This may be different to your taxable income.

Prescribed costs

Your prescribed costs are the costs of materials, labour and services incurred in earning income from eligible building and construction work performed in NSW.

Materials – costs of materials used in building and construction work, not materials used in the office or costs of cars and phones.

Labour – costs related to the people you employ to assist you performing eligible building and construction work in NSW. For example, their wages, subcontractor payments, superannuation and workers compensation premiums.

Services – varying types of labour services which can be engaged to assist in the building and construction process. For example, surveying or geo-technical services. Services don't extend to equipment leasing, repairs or maintenance costs.

Work on Commonwealth places

As Commonwealth places fall under the jurisdiction of the Commonwealth Government, work conducted on Commonwealth places cannot be credited under the NSW Building and Construction Industry Long Service Payments Act, administered by LSC, and we are working with the Commonwealth Government to resolve this. Therefore income derived from work undertaken on Commonwealth land or a Commonwealth place, is not able to be included in your assessable income. For further information see [Commonwealth places](#).