

Chilly Enough for Ya?!

As I write my editorial this month I'm gazing at the glamorous vista outside my office window... the washing. Not drying. Being rained on. No point denying it - winter is here! That means it's tax time soon. Yikes! Never fear, *AdHoc* is here. If you have any questions, then I've added a new FAQ section below. And please don't forget to give us details of your groovy accountants - we don't have enough! Take care,

Monica



make-up artist

Freelance F A Q s

Dear FAQs, I'm an artist showing works in a gallery. I just found out that they take 60% commission on my work. This seems really high to me. What's the right rate of commission for galleries?

- *Artiste*

NAVA (National Association of Visual Artists) have the Code of Practice for Commercial Galleries available for download at www.visualarts.net.au. It states there that 'commission for full representation should not usually exceed 40% of the gst-exclusive price of the artwork'. It also says that the artist and gallery should decide TOGETHER what the commission will be - they can't just tell you! So negotiate, girl!

Dear FAQs, I have a jumpy new client who told me to get worker's compo insurance on myself. Can I?

- *PropGirl*

That depends. You can only take out worker's compensation insurance for employees. If you are a sole trader, you are not an employee. You are a business proprietor, and you and the business are the same thing. If you're a company, then you can make yourself an employee and get worker's compo for yourself. Confusing enough for ya?

Want to ask FAQs? Email us at faq@freelancesuccess.com.au and we'll give you the answers!

Feature Article: Labour Hire Madness

Some of you, such as the graphic designers, the illustrators, the multimedia folk and even the technical crew, might get a steady line of work from a labour hire firm. This is a firm that hires you as a contractor for short term jobs, but pays you as an employee.

Be careful! Obviously being on the books with a labour hire firm means you have another way of making money, and that's always great. The problem is the impact that this might have on your tax.

Being as independent and self-employed as possible is the only way to make those massive tax deductions that you're all entitled to. Any time you take on work as an employee, rather than a contractor, you minimise your wholly self-employed status.

Not sure if you're classified as an employee? If the labour hire firm takes your income tax out before you get paid and makes contributions to your super, then you are effectively an employee.

Your income from the firm then doesn't really count as self-employed income. You may have trouble justifying the full range of deductions you'd like to have.

You also need to be careful of the Personal Services Business income ruling. It's likely that, as a creative worker, you are a personal services provider. This means that your personal skills and talents inform what you do and make you special and unique. So that's you, right?

If 80% or more of your income comes from one source, and you're not classified as fully self-employed, you can't make some of the same deductions as other personal service providers.

It's possible you won't be entitled to claim the contributions you make to your own super, or your home office rent and utilities, or some of the amounts that you pay to any sub-contractors. That might not seem like much, but for me that would be a loss of about \$15,000 in tax deductions!

If you have one, talk to your accountant. The work that your labour hire firm gives you is wonderful and being without it might make freelancing a much harder road. You might struggle to find other paid work at first. If you think the independence is worth it, though, then look into it!

AdHoc

The Freelance Success Newsletter

What's Up Freelance Success?

◆ The date for our spot on Out of the Box on **FBi Radio** has changed!

Instead of the 6th I'm now going to be heard on **Tuesday 27th June** at **noon** with the lovely Imogen. It's also FBi subscription week from the 12th June, so why not pledge some cash to them? They totally deserve it. And FBi's fm spot is **94.5 fm** - apologies for getting it wrong last month! So, remember to tune in on the 27th to hear me waffle on about the freelance way of life, my film work and all. It should be a blast!



performer

◆ **New Saturday workshops** start in July, and **Thursday evening classes** pick up again on 3rd August in Bondi.

In one of my other lives, the one where I make films (as opposed to the one where I teach or write or be a mum), I have shoots in June taking me around Sydney, and to funky Brisbane and exotic Melbourne. So, Freelance Success will return when I do! I'll keep you posted when the new courses are ready for enrolment.

◆ We still need more **Groovy Accountants!** Please!

So far we've only had four - all extremely groovy, but I want more! Visit the Resources page of the Freelance Success website and tell us if you know of any others hiding out there...

Next newsletter... Friday 7th July 06

freelance success

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