

# AbaF

## Business structures

Many artists do not consider themselves to be involved in business when, in essence, they are functioning as small business operators.

If you create and sell your own artwork from a studio or workshop or website, or if you have off-site premises - such as a gallery - from which you sell your work, then you are engaging in a business.

This means that you and your business will be exposed to both the rewards and risks of the marketplace.

### **Business structure**

If you are beginning to run a small business or are considering changing the nature of your business (i.e. size), how you structure your business is one of the most important decisions to be made. Before you make a decision about your business structure it is important to consult your accountant or another professional advisor before making your decision. Choice of an appropriate business structure can limit your personal liability in the event of unforeseen circumstances such as litigation and enhance your eligibility to access certain services or exemptions.

Organisations such as the Arts Law Centre of Australia, the Australian Tax Office and NAVA all provide resources to assist you in deciding the best business structure for your practice.

A number of business structure options are available and include operating as a:

- sole trader
- partnership
- proprietary company
- trust or
- a combination of the above

The business structure you choose will need to consider the following:

- the anticipated profit of the company,
- the time you are able to commit to the business
- your career path as an artist
- the involvement of others, family members or other artists
- the financial status of the individuals who may be part of the business
- the exposure to financial risk
- the cost/benefit associated with establishing the chosen structure
- the tax position of the business owners and their dependents
- capital gains tax issues and
- changes to tax laws.

Each state and territory has a Department of Economic Development/Industry and Development, or an equivalent, which provides information on the establishment and development of a small business, including home-based businesses.

These government agencies offer a range of services for small business, including:

- workshops and seminars, some of which are free
- mentoring programs and referrals to specialist advisors
- fact sheets, publications and 'how to' guides
- checklists and templates
- links to other useful and relevant websites and resources

- one-on-one advice services
- online training programs
- grants
- networking opportunities
- assistance through the maze of government departments and regulations as well as free practical assistance and problem solving.

There are also a number of artist specific resources provided by the National Association for Visual Artists (NAVA), The Arts Law Centre of Australia, The Australian Copyright Council and VisCopy.

### **Resources:**

#### *State and local government regulations*

State and local governments across Australia have a variety of regulations that you must be aware of if not compliant to if you are operating a business from home.

These regulations ensure that the use of residential areas for business activities will not negatively affect residents' quality of life. They often regulate items such as noise, traffic, pollution, signage and the visual evidence of business activity.

Check your State's regulations and Acts in relation to establishing a small or home-based business.

You may need local government approval to run your business from home and should check the zoning controls and other requirements in your local area.

#### *Australian Tax Office*

The ATO provides advice on the tax requirements for different types of business structures.

GPO Box 9990

in your capital city or territory

T: 13 28 66 (Business Tax Enquiries)

W: [www.ato.gov.au](http://www.ato.gov.au)

#### *The Arts Law Centre of Australia*

The Arts Law Centre of Australia provides a range of checklists and guides including the Business Partnerships Checklist. This checklist includes information on partnerships, key issues to be considered within a partnership agreement, and a checklist for business partnerships.

The Gunnery

43-51 Cowper Wharf Road

Woolloomooloo NSW 2001

T: 02 9356 2566 or 1800 221 457

F: 02 9358 6475

E: [artslaw@artslaw.com.au](mailto:artslaw@artslaw.com.au)

W: [www.artslaw.com.au](http://www.artslaw.com.au)

#### *National Association of Visual Artists (NAVA)*

NAVA's Code of Practice for the Visual Arts and Craft Sector provides information of tax

## Level 1

43-50 Cowper Wharf Road  
Woolloomooloo NSW 2001  
T: 02 9368 1900  
F: 02 9368 6909  
E: [nava@visualarts.net.au](mailto:nava@visualarts.net.au)  
W: [www.visualarts.net.au](http://www.visualarts.net.au)

*Business sites*

Each of the State Government Economic, Business or Industry Development Departments has information on its website relating to the establishment of a small business and business structures.

State/ Territory	Department Name	Telephone	Website
ACT	Chief Minister's Department – Economic Development and Business Programs	13 22 81	<a href="http://www.cmd.act.gov.au">www.cmd.act.gov.au</a>
	Business ACT	1800 244 650	<a href="http://www.business.act.gov">www.business.act.gov</a>
	Canberra Business Advisory Service	02 6230 0044	<a href="http://www.canbas.com.au">www.canbas.com.au</a>
NSW	Department of State and Regional Development	02 9338 6600 1800 777 022	<a href="http://www.business.nsw.gov.au">www.business.nsw.gov.au</a>
NT	Department of Business, Economic and Regional Development	08 8982 1700 1800 193 111	<a href="http://www.nt.gov.au/dberd">www.nt.gov.au/dberd</a>
QLD	Department of State Development	07 3001 6359 1300 363 711 (Qld only)	<a href="http://www.sd.qld.gov.au">www.sd.qld.gov.au</a>
SA	Department of Trade and Economic Development	08 8303 2400	<a href="http://www.southaustralia.biz">www.southaustralia.biz</a>
TAS	Department of Economic Development	02 6233 5888 1800 030 688	<a href="http://www.development.tas.gov.au">www.development.tas.gov.au</a>
VIC	Department of Innovation, Industry and Regional Development	03 9651 9999	<a href="http://www.diird.vic.gov.au">www.diird.vic.gov.au</a>
	Victorian Business Centre Services	03 9668 2418 132 215	<a href="http://www.business.vic.gov.au">www.business.vic.gov.au</a>
WA	Small Business Development Corporation	08 9220 0222 1800 199 125 for regional callers	<a href="http://www.sbdc.com.au">www.sbdc.com.au</a>

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