

A Guide to Setting up as a Contractor



Starting a new chapter of your working life as a contractor can be both exciting and rewarding. You are now your own boss and in control of your future career.

Some of the benefits you will enjoy include more flexibility in terms of projects and hours, the opportunity to diversify your experience, as well as lucrative rates of pay. However, you also now have to deal with additional responsibilities that come with running your own business. Everything you once were able to pass on to another team now comes back to land on your desk – from invoicing to marketing and taxation.

We trust you will find this resource valuable.

MANAGING YOUR FINANCES

The big risk with contract work is not having the ongoing security of a nine-to-five, five-day a week job. You might be commissioned to work on projects with set timeframes, or a certain number of hours per week. Either way, it's important to make sure that you have enough in the bank to cover your expenses, particularly at times of the year when it might not be possible to work as much as you'd like, for example over Christmas and the end of the financial year. Don't forget to put a system in place to help you manage your invoicing and collections as well.



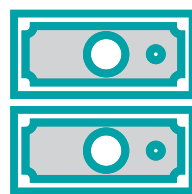
Stay on top of your ongoing expenses



Discuss payment terms with your recruitment consultant



Create a system for invoicing and collections



Reserve a portion each month for tax



Set aside enough funds to cover slow periods

SETTING UP YOUR ABN

Before you start contracting in Australia, you'll need to set up an Australian Business Number (ABN). Your ABN signifies that you provide products and services directly to your customers, including the quoting for and invoicing of that work. You can register for your ABN for free at the [Australian Business Register website](#). We would also advise that you contact your Tax Accountant before making any decisions about setting up your ABN.

TAXATION

Working as a contractor, you need to be proactive with your tax and make sure you set aside enough each month to cover your obligation so that you have the sum on-hand when you file your annual tax return. It may be helpful to open another bank account for your tax to keep it separate from your day-to-day living expenses.

TIP

Consider opening a new bank account to keep your tax obligation separate.

You may also need to register for Goods and Services Tax (GST) depending on the amount you are earning.

SUPERANNUATION

One thing to keep in mind is that life as a contractor doesn't come with that standard 9.5% Super contribution. It's now up to you to plan for your retirement fund, so think about how you want to invest your money. Chat to a financial advisor to make a plan, or simply set up a regular transfer from your pre-tax income to your existing super fund.

Remember – you can claim a tax deduction for any contributions you make to your Super as a contractor (up to \$25,000 per year), and depending on your income, you may also be eligible for government contributions. [Visit this page](#) for more details.

INSURANCE

Depending on the services you are offering, you may need to consider liability insurance. This will cover you in situations where you might be found liable for damages to others, for example, loss or damage as a result of advice you gave. You can also consider personal accident and illness insurance to cover your financial security if you are unable to work from an accident or ill health.

BUILD YOUR RETIREMENT FUND AS A CONTRACTOR



Talk to a financial advisor about investing



Make regular contributions to your existing Super and claim a tax deduction



Find out if you're eligible for government contributions



Having a solid personal brand and online presence is essential for success as a contractor.

PROMOTING YOUR SERVICES

Marketing is key when setting yourself up as a contractor, and it's important to define your personal brand. This is how you want to be known in the marketplace and can be based on a specific skill set, your style of working or the unique experience you can offer clients. You'll also want to make sure your online presence reflects this brand, particularly on your professional website and LinkedIn profile.

BUILDING YOUR CLIENT BASE

Be sure to actively grow your network through LinkedIn and face-to-face networking opportunities such as conferences and workshops. Also seek out positive reviews and recommendations from existing clients and ask them to endorse your skills on LinkedIn. Word of mouth and referrals will be invaluable, so try to maintain positive and enduring relationships with clients.

PROFESSIONAL DEVELOPMENT

Without a manager or an HR department to check in on you, professional development might slip to the bottom of the priority list. But when your service is your skillset and expertise, it's essential you are at the forefront of industry trends. Dedicate some time each month for formal or informal training, which may include working towards a qualification or attending workshops and industry events. These will also be a prime opportunity to network and look for new opportunities.

THREE WAYS TO BOOST YOUR PROFESSIONAL DEVELOPMENT:



Work towards a new tech qualification/certification



Attend workshops, meetups and industry events



Find a mentor to help you build on your strengths

WORKING AS A CONTRACTOR WITH ENTERPRISE IT RESOURCES



Register

You can start the process today by uploading your CV and registering your details [here](#). One of our specialist recruiters will be in touch to help you find your dream contracting role.



Timesheets

We have our own timesheet system where you can easily and quickly log your hours. Register [here](#).



Insurance

We have a discounted rate on Professional Indemnity and Public Liability insurances through Arthur J. Gallagher. If you're starting out as an IT contractor with us, contact them for a [competitive quote](#).

Please do not hesitate to get in touch with one of our specialist recruiters if you have any questions .

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