

Starting a Business In Australia

There are four main obligations a new business must contend with. They are:-

- 1. taxation;**
- 2. registration;**
- 3. licensing; and**
- 4. employment.**

1. Taxation

To determine the tax liability by your business, it is vital to know which business structure you fit into. Whether you are a sole trader, partnership, trust or company determines what kind of taxes you will be paying. Before paying any kind of tax, you must first apply for an Australian Business Number, ABN. This number is essential to your trade with other companies and government agencies. You can apply for an ABN online through the Business Entry Point's website.

You may also like to start thinking about other taxation instruments such as Pay As You Go (PAYG), which is a way for businesses to pay for the expected tax liability. New businesses are generally not required to pay PAYG in their first year as they have yet to lodge their income tax return.

Businesses are also able to claim deductions that are incurred in the course of the business activity in producing income. Tax losses are also claimable. They are required to keep records of all these transactions for a period of at least 5 years.

Other taxation instruments include the capital gains tax and income tax.

2. Registration

To begin trading, you will need to have a registered company or a registered business name (if you are not trading using your own name). Through the Australian Securities & Investments Commission's (ASIC) website's National Index, you can check whether there is an existing or similar business name already registered. Once registered, your company or business names must then be displayed at every public place that the business is trading. Your Business or Company Registration Certificate must be displayed at the principal place of business or where it can be most easily seen by others and your business name be printed or written on any business correspondence used by your business including invoices, letters or receipts.

3. Licensing

For a number of business activities, the business is required to obtain a license or permit. These differ for different types of activities. The required licenses can be found on the Office of Fair Trading website.

4. Employment

The process of employing people is subject to many Australian laws. For different business activities, there are different prescribed award wages. Award wages refers to the minimum or prescribed wage to be paid to an employee for the service they are supplying. To obtain these amounts and figures, you can contact Wagenet.

Another useful tool for employers is AWA online. Australian Workplace Agreement refers to the processes and checklist summaries of the terms and conditions of employment and how these in turn affect award wages.

Also, as an employer, you will be subject to occupational health & safety laws which state that an employer must provide a safe workplace for all employees.

5. Useful Website Addresses

- *Australia Taxation Office*
www.ato.gov.au
- *Australian Securities & Investments Commission*
www.asic.gov.au
- *New South Wales Office of Fair Trading*
www.fairtrading.nsw.gov.au
- *Business Entry Point*
www.business.gov.au
- *Wagenet*
www.wagenet.gov.au
- *Australian Workplace Agreement*
www.awaonline.gov.au
- *Department of Immigration*
www.immi.gov.au

Comasters is able to assist clients in business start-ups.

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Important: This is not advice. Clients should not act solely on the basis of the material contained in this paper. Our formal advice should be sought before acting on any aspect of the above information.

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