

Starting a Business?

Get an ABN

You will need an Australian business Number (ABN) if you are going to start running a new business. This can be done through the Australian business Register website (www.abr.gov.au).

Business Name

If you want to run your business using a business name, this name needs to be registered with the Australian Securities and Investment Commission (ASIC).

This can be done via their website www.asic.gov.au. The cost to register your business name is either:

- \$30 for 1 year, or
- \$70 for 3 years

Paying Yourself a Wage

Depending on the structure chosen to operate the business, money you take from the business isn't necessarily treated as a wage. If you are a sole trader, or a partner in a partnership, you cannot legally pay yourself a wage. Instead, you pay tax on any profit made by the business, not on the money taken from the business.

Need help or want to know more?

If you would like help with the necessary registrations, or would like to know more about starting a business, please contact our office on 5143 0041.

GST Registration

Contrary to popular belief, getting an ABN does not mean you are automatically registered for GST. Registering for GST can be done with the same application as the ABN, but is not necessarily required.

If your business is going to turnover less than \$75,000, you are not required to register for GST, but it may still be worth considering.

Once it looks like your turnover will exceed your \$75000 in any 12 month period, you are required to register for GST.

Business Activity Statements

A Business Activity Statement (BAS) is used to report the total GST received and paid by your business, with the net amount either being paid to or refunded by the ATO at the end of each period.

You will only be required to complete a BAS if you are registered for GST.

When registering for GST, you can elect to do your BAS monthly, quarterly, and in some cases annually.

Most businesses lodge their BAS quarterly, but it could be worth considering monthly if it will help out with cashflow of the business.

Business Cashflow

It is important to consider how much working capital is needed to pay the bills until income starts flowing into the business, as well as how much money will be needed to establish the business.

A common reason for start up businesses not surviving is their inability to pay expenses in the first 6 months of being open due to a shortage of money.