

# Starting a business in Australia

Fact Sheet, October 2018

What are the minimum requirements to start a business in Australia?  
Below are some quick facts about the rules that apply to Australian companies.

## ASIC Business Registration

ASIC (Australian Securities and Investments Commission) is responsible for registering, renewing and administering business names throughout Australia. To register, update or search business name details you can go to [www.asic.gov.au](http://www.asic.gov.au).

A company must have a registered office in Australia (Accru can act as a registered office), and must inform ASIC of its location. If the company operates from a location that is different from the registered office, ASIC must be informed of the location.

A company must notify ASIC if certain changes occur, such as changes of registered office, principal place of business, personal details of directors and company secretaries.

The directors must ensure that the details on ASIC's registers are accurate and up-to-date, that the company is solvent and can pay its debts on time, and act in the company's best interests. There must be at least one resident director.

## Accounting

Company officers must keep up-to-date financial records that correctly record and explain transactions and the company's financial position and performance. While small proprietary companies are not required to lodge financial reports with ASIC, they are required to keep records.

## Tax

Tax returns should be lodged within prescribed deadlines set by the Australian Taxation Office (ATO), usually within 12 months after the end of the financial year. Depending on the size of the company, a quarterly or monthly Business Activity Statement (BAS) may also be required to be prepared and lodged with the ATO.

## Audit

A large proprietary company or a small proprietary company which is controlled by a foreign company must prepare and lodge with ASIC a financial report, a director's report and an auditor's report within four months after the end of the financial year. The distinction between large and small proprietary companies is based on revenue (>\$25M AUD), assets (>\$12.5M AUD), and number of employees (>50 full time equivalent employees). Small companies may apply for an exemption from lodging a financial report with ASIC.

## Significant Global Entities

Note that further tax and audit reporting requirements apply to Significant Global Entities (SGEs) which are classified as part of a multinational group with a global revenue of AU\$1billion or more.

## Directors and Company Secretaries

Many small businesses choose to operate as a registered company and the company's directors and company secretary are required to ensure that the company operates within the law.

A proprietary company must have at least one director, but does not require a company secretary. Directors and company secretaries must be at least 18 years of age and ordinarily live in Australia. Directors may be liable for debts incurred if the company trades while insolvent.

A person is disqualified from managing a company if they are an undischarged bankrupt, have been convicted of dishonesty offences, or disqualified by ASIC from managing a company.

## Tax rates

The company tax rate in Australia from 1 July 2018 is 30%, and for active companies that qualify as a Base Rate Entity (BRE), the rate is 27.5%.

The rate of GST (a type of VAT) is 10%.

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