

Starting a business checklist

New to business and not sure where to start? Our Starting your business checklist will help guide you through some important steps.

Download the latest version of this template from <https://business.gov.au/starting-a-business-checklist>

1. Make key decisions

TIP: Get help to start

When starting a business, there is a range of advice and support available from government and other organisations.

- Use our [Expertise & Advice finder](#) to search for expert businesses advisors who can help guide you through starting your business.
- Attend business events and training to help you develop the tools, skills and knowledge required to start your business. Use our [Events & Training finder](#) to find out what's on near you or online.
- You can find [grants, funding and support programs](#) from across the government to help start and grow your business.

Decide on business your structure

When starting a business you must decide on a business structure. Your business structure identifies how you operate as a trading business and can affect your legal and tax obligations.

There are a number of business structures you can select from, including:

- sole trader – the simplest structure available, it gives you full control
- company – more complex, it limits your personal liability because it's a separate legal entity
- partnership – made up of 2 or more people who distribute income or losses
- trust – a trustee is responsible for business operations

Learn more about [different business structures and how to choose one](#).

Understand the difference between an employee and a contractor

It's important to determine if you're considered a contractor or an employee.

If you have been engaged as a contractor but believe you're an employee, you may be in a [sham contracting arrangement](#). A sham contracting arrangement is when an employer attempts to disguise an employment relationship as a contractor relationship. They may do this to avoid certain taxes and their responsibility for employee entitlements.

Contractors run their own business, sell a service to others, and can work for more than one client at a time. Taxation and super obligations will be different to an employee.

Employees work in someone else's business, the employer controls how and when they work and get paid a wage.

- Check the [differences between employees and contractors](#) on the Australian Taxation Office (ATO) website – this will help you to work out your [tax and superannuation obligations](#).
- Read the Fair Work Ombudsman's [independent contracting](#) page to understand the different entitlements of employees and contractor.

□ Choose a business name

Choosing the right business name will help create the image you want for your business. It'll also help to distinguish you from your competitors. A business name is the name your business trades under.

Once you've decided on a name, you will need to learn what you need to do to ensure you have exclusive use of your name throughout Australia.

- Find out what you'll need to consider when [choosing a name for your business and how to protect it](#).
- Consider [registering your domain name](#) to create your online identity and brand.

□ Select a business premises

Choosing the right location for your business can be vital to your success. Each business has different priorities and needs. Learn [what to consider when looking for the right business location and premises](#).

If you are running a home-based business, there are specific tax obligations you need to know. [Learn about your tax, insurance and license obligations](#) and where you can go to find support if you are running a business from home.

If you want to organise a leasing agreement, it's important to know what questions to ask before signing and where to look for more information. The Treasury website provides a [Look before you lease: Avoiding the pitfalls in retail leasing](#) guide to help answer general questions about retail leasing all over Australia.

□ Know what registrations, licenses and permits you need

When you're ready to start your business, it's important to know what registrations you need. These registrations will depend on your chosen business structure, location, industry, whether you employ staff and the type of business you're operating.

- The [Business registration – help me decide tool](#) can help you work out the basic business and tax registrations you should consider applying for.
- You'll need licences and permits to get approval to do certain activities. The [Australian Business Licence and Information Service](#) (ABLIS) can help you find the licences, permits and council approvals you need for your business.

If your business doesn't have the right registrations it can affect your tax rate or result in penalties or fines.

2. Plan your business

Develop your business plan

Developing a business plan can help you set yourself up for success when starting your business. Having a business plan can:

- help you prioritise your business goals and objectives
- give you control over your business and help you succeed
- help you to seek finance from banks and investors

Learn how to develop a business plan with our [business plan template](#).

Research your market

Researching your market can help you to get a better understanding of who your customers are and what need they have. It can also help you identify your competitors.

By researching your market, you will be able to better focus your marketing efforts and make well informed decisions about business opportunities.

[Learn how to research your market](#), including goods and services, customers and your competitors.

Develop your marketing plan

Writing a marketing plan can help you define your marketing strategy and identify the best activities and channels to market your products or services. Having a marketing plan can help you to:

- identify your target market and attract customers
- set goals and time frames for marketing activities
- map out a strategy for your marketing activities and how to evaluate them.

Learn how to develop a marketing plan with our [marketing plan template](#).

Set up your digital presence

An online business, or simply selling your products or services online, can help you reach a much wider customer base. An online shopfront can also help you tie your online presence with your sales system.

You should consider:

- setting up a website for your business and understanding how you can make it easy to find
- utilising social media to help promote your business and connect with customers online
- understanding how you can sell your product or service online

If you operate online, it is important to have good IT practices to protect your systems and information. Back up your data regularly and store a copy at an external location. It is also important to [protect your business from cyber threats](#).

[Find out more about doing business online](#) and how it can help your business. You can also contact the [Digital Solutions – Australian Small Business Advisory Services program](#) for help going online.

3. Set up your finances

Get resources to help with your business finances

[Grants and other funding programs](#) are available from Australian, state and territory governments and in some cases from local councils. However, there are generally no grants available for starting a business.

Knowing who to approach for finance can help you find the best finance option for your business. You can [explore different financing options](#) to finance your business.

Explore our resources to [help with your business finances](#) and find assistance from financial professionals, counsellors or advisors.

Forecast your cash flow

A cash flow statement tracks all the money flowing in and out of your business. It can help you plan ahead and make sure you always have enough money to cover your payments.

When forecasting your cash flow, consider what expenses will be required to operate your business and when they need to be paid. You can estimate this by identifying seasonal trends and accounting for your major expenses.

Use our [cash flow statement template](#) to help forecast your businesses finances.

Understand your tax

Understanding taxes and meeting your taxation obligations can save you time and money. By paying the right amount of tax, you can also avoid late payment penalties.

Make sure you understand the different types of tax that could apply to your business. Some of the taxes you may need to pay include:

- goods and services tax (GST)
- income tax for business
- capital gains tax (CGT)
- fringe benefits tax (FBT)
- pay as you go (PAYG) withholding.

Small businesses can access tax breaks and small business concessions. Visit the ATO to work out if you're a [small business entity](#).

There are some business expenses you can claim to reduce the amount of tax you pay. These can be claimed as tax deductions when you complete your tax return. See the ATO website for more information on [tax deductions](#).

Each state and territory has a revenue responsible for state taxes.

Find more information about the [tax requirements for your business](#).

4. Protect your business

Meet work health and safety requirements

You must manage the risks to the health and safety of your employees, customers, visitors and suppliers. Each state and territory has its own workplace health and safety (WHS) laws and a regulator to enforce them.

Learn more about [WHS and the requirements in your state or territory](#).

Protect your intellectual property

Most businesses have some form of intellectual property (IP). IP is the property of your mind or exclusive knowledge, it can be anything from a name, creation or idea.

It's important to understand how to protect your IP. Some forms of IP rights require formal application and examination before you can claim a right to ownership. Other forms of IP protection such as copyright do not need to be registered.

You should consider applying for a patent if you've created a device, substance, method or process that is new, inventive and useful.

Understand the [types of IP protection](#), how they can help your business and explore additional resources.

Prepare for the unexpected

During an emergency, your main aim is to ensure your business continues operating. It's important to prepare your business for an emergency situation before it happens.

- By carefully researching and planning before an emergency happens, you'll be ready to act quickly and effectively. Find out how to [prepare your business for an emergency](#) and make sure your business and staff are ready.
- An emergency management plan will help guide your business before, during and after an emergency. [Develop your emergency management and recovery plan](#) with our template.

Choose your insurance policies

Having the right insurance protects your business, customers and income. Insurance needs can vary and will depend on your business.

Some forms of insurance are required for Australian businesses.

- Workers' compensation insurance is compulsory if you have employees.
- Public liability insurance covers you for third party death or injury, and is compulsory for certain types of companies.
- Third party personal injury insurance is compulsory if you own a motor vehicle. This is often part of your vehicle registration fee.

Understand the [different types of insurance](#) and which ones your business needs.

5. Know the law

Know the legal essentials

When you start a business, there are many laws your business may need to comply with.

There are legal requirements for:

- business registrations
- fair trading
- contracts
- privacy
- employment
- contractors
- franchising
- intellectual property
- importing and exporting
- environmental protections
- marketing
- terms and conditions.

You should consider consulting with a legal expert or [business advisor](#) to understand which laws you will need to follow.

Find out the [most common laws](#) your business may need to comply with.

Understand fair trading

Fair trading laws ensure that trading is fair for your business and your customers.

It is important to understand what fair trading laws there are and how Australian federal and state laws can protect you, your business and your customers from unfair trading practices. Fair trading laws include:

- The Competition and Consumer Act 2010 – regulates fair trading in Australia and governs how all businesses in Australia must deal with customers, competitors and suppliers. While the Act is a national law, each state and territory also provides additional consumer protections within their own fair trading legislation.
- Australian Consumer Law – protects consumers of a product or service. Guides are available to help you [understand specific consumer law topics](#).

Understand what [fair trading laws](#) your business needs to abide by to protect your business and customers.

Meet standards and codes

Product standards

You must ensure your products (or product related services) comply with mandatory safety and information standards. These differ between industries. [Learn about mandatory standards](#) and check for those that apply to your business.

If you operate in the food industry, you may need to comply with standards in the [Australia New Zealand Food Standards Code](#).

Codes of conduct

You must meet mandatory codes of conduct. These set out standards of conduct for your industry, including how to deal with customers and other businesses.

Find out more about [codes of conduct and where to find them](#) for your industry.

Voluntary standards and codes

There are some voluntary standards and codes. Although they aren't mandatory, it's in your interest to follow voluntary standards and industry codes of conduct. These help your business to meet best practice – improving your operations and service, and ultimately becoming more competitive.

A well-known voluntary standard is ISO 9000, an international standard for quality management, including quality of products and services. For more information, contact [Standards Australia](#).

Check with your industry association to see which [voluntary industry codes of practice](#) you can sign up to.

6. Hiring people

Hire an employee

We have an entire checklist dedicated to helping you [understand what you need to do when you hire an employee](#). The checklist helps small business owners meet Australian laws and hiring requirements. The checklist covers information about:

- recruitment
- payment
- superannuation and tax
- required records
- ending employment

It also includes tips that might help you throughout the hiring process.

Manage your employees super and tax

Each quarter, you'll need to:

- work out [how much super to pay](#) on behalf of your employee
- report and pay super contributions electronically using the [SuperStream](#) standard by the due date (to avoid the super guarantee charge)

You must collect pay as you go (PAYG) tax from employee payments. Work out the amount to withhold from payments to your employee using the ATO's [tax withheld calculator](#) or [tax tables](#).

If the total amount of wages you pay exceeds a certain amount, you may have to pay a state or territory [payroll tax](#).

Hire an apprentice

Australian apprenticeships and traineeships are formal on-the-job training arrangements between an employer and an employee that can lead to a nationally recognised qualification.

They combine training and paid employment and can be full-time, part-time or school based. Apprentices and trainees are employees, and employers must withhold the correct amount of pay as you go (PAYG) withholding and make superannuation contributions for them.

- [Learn how to hire an apprentice or trainee](#), understand your employer obligations and where you can find support.
- Search for an apprentice through the [Australian Apprenticeships](#) website.

No matter what industry you're in, investing in training through an Australian Apprenticeship can benefit your business and contribute to your bottom line.

Hire a contractor

You need to consider a range of factors when determining whether someone is an employee or contractor of your business.

You may need to treat your contractors differently to your employees for tax and superannuation purposes. Some contractors may be treated like employees under the law.

- Check the [differences between employees and contractors](#) on the Australian Taxation Office (ATO) website – this will help you to work out your business’s [tax and superannuation obligations](#).
- Read the Fair Work Ombudsman’s [independent contracting](#) page to understand the different entitlements of employees and contractors and why you need to get this right.

7. Keep required records

Set up record keeping systems

Keeping your records organised can help you understand how your business is tracking, manage your cash flow and meet your tax and superannuation obligations.

Though you can keep records electronically or as hard copies, the ATO recommends electronic record keeping if possible. Digital business or accounting software can make record keeping easier. If you decide to use it, make sure it complies with [Standard Business Reporting](#).

You should store your records in a secure place and keep them backed up in case of a computer failure.

Use the ATO’s [Record keeping evaluation tool](#) to understand what records you will need to keep.

Keep tax and super records

You must keep records of all transactions related to your business’s tax and superannuation affairs, including records that support the information you include in your [tax returns and reports](#). In general, you need to keep most records for 5 years starting from when you prepared or obtained the records, or completed the transactions.

The records you need to keep depend on the tax and superannuation obligations of your business and the structure of your business (sole trader, partnership, company or trust).

Visit the ATO to learn more about the [tax and super records you need to keep](#).

Employee records

You need to make and keep employee records for 7 years, including records about their:

- employment
- pay
- hours of work
- leave
- super.

Read more about [keeping employee records](#) and find [handy templates](#) to help manage them on the Fair Work Ombudsman website.