Starting a business in Australia

Fact Sheet, August 2025

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.

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.

Minimum Office Holders and Director Requirements:

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

A public company must have at least three directors (not counting alternate directors). At least two of the directors must live in Australia, along with at least one secretary.

All directors (both resident and foreign) of a company, registered Australian body or registered foreign company will need a director ID. Those outside of Australia will need to provide certified documentation.

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 an audited 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 (>$50M AUD), assets (>$25M AUD), and number of employees (>100 full time equivalent employees). Prior to 30 June 2019 the criteria was 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.

From 1 January 2025, sustainability reporting obligations will be progressively phased in and apply to most proprietary companies by 1 July 2027. Sustainability reports must be prepared and lodged in accordance with Chapter 2M of the Corporations Act.

Tax Incentives

Note that further tax and audit reporting requirements apply to Significant Global Entities (SGEs) and CBC reporting entities.

Significant Global Entities are classified as part of a multinational group with a global revenue of AU$1billion or more. The definition has been extended since 1 July 2019 and can apply to entities such as high wealth individuals; partnerships; trusts; those considered to be non-material to a group as well as certain investment entities (and those that they control), including in circumstances where consolidated financial statements have not been prepared.

The amendment to the definition also introduced the concept of country-by-country reporting entity. For earlier periods (prior 1 July 2019) an entities' SGE status determined whether they had CBC reporting or General Purpose Financial Statements (GPFS) obligations.

An entity is classified as a CBC reporting entity if it is a CBC reporting parent or is a member of a CBC reporting group that includes a CBC reporting parent. An individual can never be a CBC reporting entity or CBC reporting parent. A CBC reporting group includes a group that is consolidated for accounting purposes as a single group, or a notional listed company group.

CBC reporting obligations apply to entities that were either a CBC reporting entity or an SGE for a period prior to their income year. It requires certain entities to lodge the following three CBC reporting statements:

+ CBC Report
+ Master File
+ Local File

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% for both the 2017-2018 to 2019-2020 income years. The rate reduced to 26% on the 2020-21 income year and then 25% in the 2021-22 income and future years.

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

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