Starting a business in Australia

Fact Sheet, August 2026

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. Details can be obtained from the ASIC website.

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 must obtain a Director Identification Number (Director ID) before appointment. Foreign resident directors may need to provide certified identity 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 return lodgement deadlines vary depending on the entity type and lodgement method. Companies should ensure they meet the lodgement dates prescribed by the ATO. 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.

GST registration is generally required where annual turnover is expected to reach or exceed $75,000. Businesses employing staff in Australia are generally required to:

- Register for PAYG withholding.
- Report payroll information through Single Touch Payroll.
- Pay Superannuation Guarantee contributions for eligible employees.
- Obtain workers compensation insurance in the relevant State or Territory.
- Comply with Fair Work employment obligations.

These obligations apply regardless of whether the business is Australian-owned or foreign-owned.

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. A proprietary company is generally classified as a large proprietary company where it satisfies at least two of the following:

- Revenue of $50 million or more;
- Gross assets of $25 million or more; or
- 100 or more 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 entity's SGE status determined whether they had CBC reporting or General Purpose Financial Statements (GPFS) obligations.

From 1 January 2025, mandatory climate-related financial disclosure obligations have commenced and are being progressively phased in for larger entities and groups meeting prescribed thresholds. Indicative thresholds for the initial reporting groups include:

- Revenue of $500 million or more.
- Gross assets of $1 billion or more.
- 500 or more employees.

Businesses should monitor future developments to determine whether these obligations may apply to them. 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 general company tax rate in Australia is 30%. Companies that qualify as a Base Rate Entity (BRE) may be eligible for the reduced company tax rate of 25%, subject to satisfying the relevant turnover and passive income requirements.

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

Foreign Investment Review Board (FIRB)

Foreign investors may require approval from the Foreign Investment Review Board (FIRB) before acquiring Australian businesses, land or other investments. The applicable requirements depend on the nature and size of the investment.

Transfer Pricing and International Dealings

Australian transfer pricing rules apply where Australian entities transact with overseas related parties.

Examples include:

- Management fees.
- Service fees.
- Intercompany loans.
- Royalties.
- Intellectual property arrangements.
- Sale and purchase of goods.

Businesses should maintain documentation supporting the commerciality and arm's length nature of related-party transactions.

Thin Capitalisation

Australia's interest limitation and thin capitalisation rules may apply to entities with debt deductions exceeding **$2 million per annum**.

These rules can impact the deductibility of interest and financing costs for multinational groups and foreign owned Australian businesses.

Withholding Tax Obligations

Australia imposes withholding tax obligations on certain payments made to foreign residents, including:

- Dividends.
- Interest.
- Royalties.

The applicable rate may be reduced under Australia's double tax agreements with foreign jurisdictions. Businesses making payments overseas should obtain advice regarding their withholding obligations.

Other matters to consider

Depending on the nature of the business, additional registrations, licences or approvals may be required, including:

- Industry-specific licences.
- State and Territory registrations.
- Import and export registrations.
- Environmental approvals.
- Privacy and data protection obligations.
- Anti-money laundering and counter-terrorism financing requirements.

Professional advice should be obtained before commencing operations to ensure all regulatory, taxation and reporting obligations are identified and addressed.

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