

Business structure:

Prior to starting up a business, you need to decide on the business structure that best suits your needs. Factors that should be considered as part of this process include:

- › The type of business.
- › Establishment fees and maintenance costs.
- › Tax obligations.
- › The level of asset protection.

There are a number of business structures that you can choose from when starting up your business including:

- › **Sole trader** – a type of business entity which is owned and run by one individual who is fully responsible for all liabilities and commitments of the business.
- › **Partnership** – a type of business entity in which partners (owners) share with each other the profits or losses of the business.
- › **Proprietary Limited Company** – an independent legal entity able to do business in its own right. The shareholders own the company and directors run the company. The directors of a company, as well as company employees, can be shareholders.
- › **Trust** – a business structure whereby the trustee holds property and earns and distributes income on behalf of the beneficiaries.

You may also decide to operate your business as a:

- › **Franchise** – an agreement under which a franchisor licenses a franchisee to operate a developed method of doing business that is identifiably associated with the franchisor. The franchisor also provides ongoing guidance, systems and assistance in return for periodic payment of fees and/or purchases.
- › **Independent contractor** – an individual or entity that provides goods or services to another entity under terms specified in a contract.
- › **Home based business** – a small business that operates from the business owner's home office.

Your legal and taxation obligations will vary depending on the type of business that you choose to operate. It is important that you carefully consider each option to determine what business structure and type is most suitable to your needs.

Business registration, licences & permits:

When you're starting up a new business it's important to find out what registration and licences apply to you. This can be complex as local, state, territory and federal governments all handle registration and licensing for various aspects of your business.

You need to understand your obligations in regards to:

- › Registering your business name (if you want to be a sole trader, a partnership or a trust).
- › Registering your business structure (if you decide to operate as a company).
- › Registering your domain (if you want to trade online).
- › Registering your trademark (if you want to legally protect your brand and stop others from trading with it).
- › Proprietary rights – Be aware that registration of a business name, company name or domain name does not in itself give you any proprietary rights only a trade mark can give you that kind of protection. Ensure you have exclusive use of your name now and in the future throughout Australia by registering your business name as a trade mark.

If you are unsure of what or how to register, you should seek professional advice of an accountant or solicitor.

You may also need to register your business for:

- › Australian business number (ABN).
- › Fringe benefits tax (FBT).
- › Goods and services tax (GST).
- › Pay As You Go (PAYG) withholding.
- › Tax file number (TFN).
- › Pay-roll tax.

Important Legislation:

In Australia, federal and state laws protect you, your business and your customers from unfair trading practices and mishandling of personal information. These laws, together with industry codes of practice, help to ensure that your business operates fairly and competitively and that all consumers are adequately informed and protected.

Your business may also be required to comply with other legislation and regulations administered by:

- › Australian Competition and Consumer Commission (ACCC).
- › Australian Taxation Office (ATO).
- › Australian Securities and Investments Commission (ASIC).
- › To find out more about the legislation that may apply to your small business, please see the information in *Competition and Consumer Act 2010* and *Privacy Act*.

More Information:

- › Competition and Consumer Act 2010 (CCA) – CCA is the main legislation that ensures fair trading in the marketplace. It deals with almost every aspect of your business including advertising, price setting, and transactions with other businesses or consumers. It also covers unfair market practices, industry codes of practice, mergers and acquisitions of companies, product safety, collective bargaining, product labelling, price monitoring, and the regulation of industries such as telecommunications, gas, electricity and airports: www.comlaw.gov.au
- › State and Territory Fair Trading Laws – Each state and territory also has its own fair trading laws, usually referred to as the Fair Trading Act; with consumer protection provisions much the same as those in the CCA. State and territory fair trading offices can give general advice on your business rights and obligations under fair trading laws. However, if you are unsure how fair trading laws apply to your particular situation, then you are encouraged to obtain independent legal advice: www.fairtrading.nsw.gov.au
- › Privacy Act – The Federal Privacy Act 1988 sets rules for businesses handling personal information. It also allows individuals to make a complaint if personal information is mishandled. The privacy act only applies to certain businesses, so if you are unsure about your rights and obligations, you should seek independent, professional legal advice: www.privacy.gov.au/law/act
- › Business Licence Information Service (BLIS) website. The BLIS website contains summary information on Commonwealth and State licences and business regulations, and can generate the forms required to comply with these requirements, accessible on an industry sector basis: www.bli.net.au/

www.bathurstregion.com.au/building-bathurst/