

# Australian Startup Setup Guide

*Get your foundations right from day one*

**SOVA**

*We see what others don't*

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# ■ SOVA Australian Startup Setup Guide

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The Complete Checklist for Australian Founders

We see what others don't. This comprehensive guide shows you exactly what you need to set up your Australian startup legally, efficiently, and cost-effectively.

Free resource from Sova Business Excellence Framework

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## ■ Quick Start Checklist

### ✓ Before You Start (Week 0)

- ☐ Choose your business structure (Sole Trader vs Pty Ltd)
- ☐ Get accounting advice (saves \$thousands later)
- ☐ Check business name availability
- ☐ Check domain availability (.com.au)
- ☐ Check trademark availability (IP Australia)

### ✓ Legal Setup (Week 1-2)

- ☐ Register for ABN (free, instant)
- ☐ Register business name (\$44-\$102)
- ☐ Register company if Pty Ltd (\$597)
- ☐ Register for GST (if applicable)
- ☐ Check licenses needed (ABLIS)

### ✓ Operational Setup (Week 2-4)

- ☐ Open business bank account
- ☐ Get business insurance (public liability minimum)
- ☐ Set up accounting software (Xero/MYOB)
- ☐ Set up payment processing (Stripe/Square)
- ☐ Register domain + business email

### ✓ Legal Protection (Week 3-6)

- ☐ Get shareholders agreement (if multiple founders)
- ☐ Draft customer Terms & Conditions

- ☐ Create Privacy Policy (if collecting data)
  - ☐ Consider trademark registration
  - ☐ Set up contract templates
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## ■ What It Actually Costs

### MINIMAL SETUP (Sole Trader)

~\$2,000 Year 1

- ABN: FREE
- Business name (3 years): \$102
- Domain + email: \$116/year
- Public liability insurance: \$500/year
- Accounting software: \$420/year
- Accountant (tax return): \$500
- Website (DIY): \$300/year

### MODERATE SETUP (Pty Ltd Company)

~\$13,000 Year 1

- Company registration: \$597
- Business name: \$102
- Insurance suite: \$2,000/year
- Accounting software + accountant: \$2,600
- Shareholders agreement: \$2,500
- Website (custom): \$5,000
- Trademark: \$400
- Professional advisors: \$2,000

### GROWTH-FOCUSED SETUP

~\$33,000+ Year 1

- Legal setup (lawyer, contracts): \$5,000
- Accounting + bookkeeping: \$5,000/year
- Insurance suite: \$3,000/year
- Website + branding: \$10,000
- Trademark + IP protection: \$2,000
- Tech stack (CRM, tools): \$3,000/year

- Professional advisors: \$5,000

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## ■■ STEP 1: Choose Your Business Structure

### Sole Trader vs Company (Pty Ltd)

| Aspect | Sole Trader | Company (Pty Ltd) |

|-----|-----|-----|

| Setup Cost | Minimal (ABN free) | \$597 + \$310/year |

| Liability | Personal assets at risk | Limited liability |

| Tax Rate | Personal (up to 47%) | Company (25-30%) |

| Compliance | Minimal paperwork | ASIC annual reporting |

| Scalability | Hard to raise capital | Easy to sell shares |

| Best For | Solo consultants, testing ideas | Growth startups, multiple founders |

■■ CRITICAL: Get professional advice BEFORE choosing. Restructuring later costs \$5,000-\$15,000+.

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## ■ STEP 2: Required Registrations

### Australian Business Number (ABN)

- Cost: FREE
- Timeline: Instant to few days
- Register: [business.gov.au/abr](https://business.gov.au/abr)
- Required for: Invoicing, GST, business name, domain purchase

## Business Name Registration

- Cost: \$44/year or \$102/3 years
- Authority: ASIC
- Timeline: 1-2 business days
- Check availability: [abr.business.gov.au](http://abr.business.gov.au)

## Company Registration (Pty Ltd only)

- Cost: \$597 one-time + \$310 annual review
- Requirements:
- At least 1 shareholder
- At least 1 director (Australian resident)
- Registered office address
- Constitution or replaceable rules
- Timeline: 1-3 business days

## GST Registration

- Required if: Annual turnover >\$75,000
  - Cost: FREE
  - Register: ATO Business Portal
  - Timeline: 7-10 days
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# ■■ STEP 3: Essential Insurance

## Workers Compensation (MANDATORY if you have employees)

- Covers: Medical expenses, lost wages for work injuries
- Cost: Based on industry risk + payroll
- Varies by: State/territory

## Public Liability Insurance (Essential for most businesses)

- Covers: Injury to third parties or property damage
- Typical coverage: \$10M - \$20M

- Cost: \$500-\$2,000/year
- Required for: Client-facing businesses, venue hire, government contracts

## Professional Indemnity Insurance

- Covers: Claims of negligence, errors, or omissions
- Required for: Consultants, accountants, IT specialists, marketing agencies
- Typical coverage: \$1M - \$5M
- Cost: \$1,000-\$5,000/year

## Other Insurance to Consider

- Cyber Liability: Data breaches (critical for tech startups)
- Product Liability: If manufacturing/selling products
- Key Person Insurance: If business relies on one key individual

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# ■ STEP 4: Banking & Finance

## Business Bank Account

Timeline: 1-2 days after ABN/ACN received

Documents needed:

- ABN or ACN
- Proof of identity (driver's license, passport)
- Business registration documents
- Proof of address

Top Australian Business Banks:

- NAB Business Account
- ANZ Business Account
- Commonwealth Bank Business Account
- Westpac Business Account

■ TIP: Keep business finances separate from personal (even if sole trader). Makes tax time infinitely easier.

## Payment Processing

- Stripe: 1.75% + 30c per transaction (online)
  - Square: 1.6% (card present), 2.2% (online)
  - PayPal: 2.6% + 30c per transaction
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## ■ STEP 5: Technology Setup

### Accounting Software (Choose ONE)

1. Xero (60% market share in Australia)
    - Cost: \$35-\$80/month
    - Best for: Cloud-based, 1000+ app integrations
    - Includes: Payroll (handles super, STP), invoicing, bank feeds
  2. MYOB (20-25% market share)
    - Cost: \$27-\$80/month
    - Best for: Established Australian businesses, strong payroll
    - Includes: Excellent Australian compliance features
  3. QuickBooks Online
    - Cost: \$15-\$75/month
    - Best for: US-based businesses or US integrations
- FREE option: Wave (basic accounting, limited features)

### Business Email & Domain

- Professional email: yourname@yourbusiness.com.au (NOT Gmail)
- Google Workspace: \$8-\$25/user/month
- Microsoft 365: \$8-\$30/user/month
- Domain + hosting: \$100-\$300/year

### Website

- DIY options: Wix (\$20-\$40/mo), Squarespace (\$25-\$60/mo), Webflow (\$15-\$40/mo)
  - WordPress: Hosting \$10-\$50/mo + theme \$50-\$200
  - Custom build: \$2,000-\$20,000+
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# ■■ STEP 6: Legal Documents You Actually Need

## If Multiple Founders (ESSENTIAL)

Shareholders Agreement (\$1,500-\$5,000 lawyer-drafted)

- Covers:
- Ownership percentages
- Roles and responsibilities
- Decision-making processes
- What happens if someone leaves
- Dispute resolution
- Exit strategy

■■ CRITICAL: Do this BEFORE disagreements arise. 50/50 partnerships without decision-making rules = deadlock.

## Customer-Facing Documents

Terms & Conditions (\$500-\$2,000 lawyer-drafted)

- Required for: Any business selling products/services
- Must comply: Australian Consumer Law (ACL)
- Include: Payment terms, refund policy, liability limitations

Privacy Policy (\$500-\$2,000 lawyer-drafted)

- Required if: Collecting personal information (email, phone, address)
- Must comply: Australian Privacy Principles (APPs) under Privacy Act 1988
- Penalties for non-compliance: Up to \$2.5M

■■ WARNING: Don't ignore privacy laws. Penalties are severe.

## Employment Documents

Employment Contracts (\$500-\$1,500 per template)

- Must comply: Fair Work Act 2009
- Include: Role, salary, leave, IP ownership, termination conditions

Contractor Agreements

- CRITICAL: Avoid employee misclassification (heavy penalties)



- Include: Scope of work, payment terms, IP ownership

## Templates vs Lawyer-Drafted

Template sources: Lawpath (\$50-\$200), Legal123, Sprintlaw

When to use lawyer (ALWAYS):

- Shareholders agreements
- Complex IP arrangements
- High-value contracts
- Equity/investment deals

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## ■ STEP 7: Professional Advisors (Worth the Investment)

### Accountant / Bookkeeper

When: BEFORE you start (structure advice saves thousands)

Ongoing: Monthly bookkeeping, quarterly BAS, annual tax return

Cost:

- Bookkeeper: \$50-\$150/hour or \$200-\$800/month
- Accountant: \$150-\$400/hour
- Annual tax return: \$500-\$2,000

■ Value: Tax savings often exceed fees

### Lawyer

When: Business structure, contracts, IP protection

Cost: \$250-\$600/hour

Startup packages: Some firms offer fixed-fee startup packages (\$2,000-\$5,000)

## Business Advisor / Mentor

Free options:

- SBDC (Small Business Development Corporation) - state-based
  - Industry associations
  - Startup incubators/accelerators
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## ■ STEP 8: Protect Your Intellectual Property

### Trademark Registration

- Register: IP Australia ([ipaustralia.gov.au](http://ipaustralia.gov.au))
  - Cost: \$330-\$400 per class (10-year protection)
  - Timeline: 5-7 months if no objections
  - Protects: Business name, logo, brand identity
- CRITICAL: Do trademark search BEFORE investing in branding

### Domain Names

- Cost: \$10-\$50/year (.com.au, .net.au)
- Required: ABN to register .com.au
- ■ TIP: Secure domain BEFORE finalizing business name

### Copyright (Automatic in Australia)

- No registration required
- Protects: Original creative works (content, software, designs)
- Document: Keep records of creation dates

### Patents (If Applicable)

- Cost: \$5,000-\$15,000+ (including legal fees)
  - Timeline: 12-24 months
  - Provisional patent: \$110 (12-month protection while developing)
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## ■ STEP 9: Tax & Compliance

### Income Tax

- Sole Trader: Report business income on personal tax return
- Company: Lodge annual company tax return

### BAS (Business Activity Statement)

- Required if: Registered for GST
- Frequency: Monthly, quarterly, or annually (based on turnover)
- Report: GST collected, GST paid, PAYG withheld

### Superannuation (If Hiring Employees)

- Requirement: Pay 11.5% super contributions (2025 rate)
- Deadline: Quarterly (by 28th of month after quarter ends)
- Reporting: Single Touch Payroll (STP) mandatory

### Records to Maintain (7 years for tax purposes)

- Income and expense records
- Invoices (sent and received)
- Bank statements
- Receipts
- PAYG payment summaries
- Asset registers
- Employment records

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## ■ TOP 10 MISTAKES TO AVOID

Wrong business structure → Restructuring later costs \$5,000-\$15,000+. Get advice FIRST.

No shareholders agreement → 50/50 partnerships = deadlock. Prevents "startup divorce."

Mixing personal and business finances → Tax nightmares. Get separate bank account.

No insurance → One lawsuit can bankrupt you. Public liability is non-negotiable.  
Ignoring IP protection → Someone else registers YOUR business name. Secure trademark early.  
DIY legal documents → Templates OK for basic T&Cs. NEVER DIY shareholders agreements.  
No accounting system from day 1 → Catching up is expensive. Start clean.  
Misclassifying employees as contractors → Heavy penalties. ATO crackdown 2024-2025.  
Not registering for GST when required → Can't claim GST credits. Late penalties.  
Ignoring compliance deadlines → BAS, super, ASIC review, tax returns. Late fees add up.

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## ■ Essential Resources

### Government Resources

- Business.gov.au: <https://business.gov.au> (comprehensive startup guide)
- ABN Registration: <https://www.abr.business.gov.au>
- ASIC: <https://asic.gov.au> (company registration, business names)
- ATO: <https://www.ato.gov.au> (tax, GST, super)
- IP Australia: <https://www.ipaustralia.gov.au> (trademarks, patents)
- ABLIS: <https://ablis.business.gov.au> (licenses finder)
- Fair Work Ombudsman: <https://www.fairwork.gov.au> (employment law)

### Legal Services (Online)

- Sprintlaw: Fixed-fee legal services for startups
- LegalVision: Subscription legal services
- Lawpath: Legal templates and advice

### Accounting Software

- Xero: <https://www.xero.com/au>
  - MYOB: <https://www.myob.com/au>
  - QuickBooks: <https://quickbooks.intuit.com/au>
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## ■ About Sova

We see what others don't.

Sova is a business excellence framework that helps Australian startups diagnose and solve operational inefficiencies by showing how your 9 core business elements interconnect.

The Problem: Most founders fix symptoms instead of root causes. You boost marketing, but sales don't improve because your underlying process is broken.

The Solution: Sova's free business health assessment shows you which problems are symptoms vs root causes, and how to fix them in the right order.

## Take Your Free Assessment

■ Visit: [sova.business](https://sova.business) (coming December 2025)

■ Email: [jane.korneyko@gmail.com](mailto:jane.korneyko@gmail.com)

■ Created by: Jane Korneyko, MBM - Strategy & Transformation Leader with 15+ years delivering measurable results (\$1.2M+ savings, 87% automation)

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This guide is for informational purposes only and does not constitute legal, tax, or financial advice. Always consult with qualified professionals before making business decisions.

Last updated: November 2025 | Sources: [business.gov.au](https://business.gov.au), ATO, ASIC, Sprintlaw, Sleek, MYOB, Xero

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