

General

Business start-up guide

Setting up a new business

Before you start your new business, you need to consider your options, do your research and plan ahead.

Can your idea work?

To accurately predict your chances of success, you need to evaluate your business idea. Below are some strategies to help you assess the viability of your business idea.

7 steps to business success

Many new businesses (50-80%) fail in their first 3 years of operation because of poor planning and management. The [7 steps to business success](#) guide helps you assess your business environment, market conditions, operations and finances to determine whether your business will succeed. This guide can be accessed at business.qld.gov.au.

1. **Consider your suitability.** Start a business where you already have industry or management experience. Studies show that people starting a completely new venture have a higher risk of failure. If you want to start a completely new venture, make sure you research the industry and continually learn new skills.
2. **Consider your idea.** Assess the merit of your business idea and determine whether people will be willing to pay money for your product or service.
3. **Consider your market.** Develop a way to consistently reach your customers - your business needs them to survive. You may need to do a lot of marketing to establish a name for yourself.
4. **Consider your competition.** Keep a close watch on your competitors - you will need a competitive advantage to succeed. See what your competition is doing and find a way to set your business apart.

5. **Consider the environment.** Be aware of what is happening in your industry. Keep in touch with the general industry trends and overall economic situation so you know what factors might affect your business success.
6. **Consider your finances.** Keep accurate and up-to-date financial records and manage your cash flow. Keeping an eye on your business performance helps you address problems straight away rather than leaving it too late.
7. **Consider your start-up.** Make sure you have enough money to cover your start-up costs. Many people budget optimistically and then find banks are unwilling to lend money when they run into trouble because there is too much risk.

Business readiness quiz

Our business readiness quiz helps you identify the key business areas you need to work on before you are ready to start a new business, such as:

- suitability
- environment
- market
- operations
- finances.

This quiz can help you understand and be prepared for some of the issues you may face when starting and running your business.

Take the [business readiness quiz](#) at business.qld.gov.au.

Plan to succeed

Planning is one of the most important things you can do to achieve business success. Once you have gone through the 7 steps to business success and completed the business readiness quiz, start your business planning process. This process gives you an opportunity to consider what goals are realistic and achievable, and helps identify what you can do within your budget.

For more information on business planning and available planning tools, visit business.qld.gov.au or call the Business Support Unit on 13 25 23.

Market research

Market research allows you to assess the viability of your business, challenge your assumptions and identify business opportunities. Market research helps you:

- develop business strategies
- identify your target market
- assess your competitors
- position yourself in your industry and the business environment.

Business environment

It is important to have a good understanding of your business environment and consider the internal and external factors that could affect your business, as well as the future outlook for the industry you are entering.

SWOT analysis

A SWOT (strengths, weaknesses, opportunities and threats) analysis is a simple tool to help you identify and understand the internal and external factors that affect your business environment.

Example SWOT analysis

Strengths

- Clearly identified target market
- Unique selling proposition
- Enough capital to fund establishment

Weaknesses

- Lack of business expertise
- Lack of working capital
- No business plan or clearly defined goals

Opportunities

- Loyal customer base
- Identified niche market
- Similar products or services on the market are not as reliable

Threats

- Poor economic conditions
- Government regulations
- Direct competitor only 5km away

Find out more about conducting a [SWOT analysis](http://www.business.qld.gov.au) at www.business.qld.gov.au.

Know your market

What type of people will buy from you? Who will you target?

Do some market research to find out about your customers and to identify your target market.

Make a list of the characteristics of people who will potentially buy your products or services (e.g. age, sex, buying habits, motivation).

Use demographic information to find out the characteristics and size of your target market in your chosen location.

Ways to get market research data include:

- get out and about, look at potential competitors and observe the types of customers they attract
- talk to people in the industry
- ask customers their opinions - it's important to assess for yourself the needs of individual customers.
- access statistical information from the [Australian Bureau of Statistics](http://www.abs.gov.au), industry associations and chambers of commerce; specialty trade or industry journals, research reports and publications; [Yellow Pages Online](http://www.yellowpages.com.au) and other business directories; libraries/universities; small business corporations/advisory services.

Have you thought about how to reach different segments of your target market?

Your target market will likely be made of up many market segments of people seeking different features and benefits from your product or service. It's important to identify small groups of people with similar characteristics so you can sell and market your product or service differently to each segment.

What sort of marketing strategies will you use for different segments? Marketing can be very expensive so it's important you use appropriate strategies for each particular segment. Some things to think about are:

- what would entice customers to buy your product or service
- customer service
- competitive pricing
- efficient distribution network
- packaging and presentation
- finding prospects
- promotional ideas
- potential markets to be targeted and those to avoid
- where to advertise (e.g. newspapers, magazines, TV, publications, direct mail).

Do you have enough time and money for marketing?

- Consider how many people you need to reach to achieve the expected level of sales.
- Estimate the cost and time of each promotional campaign. In the first 1-2 years, you might need to spend a lot of time and money gaining new clients, before you can rely on word-of-mouth, referrals and repeat business.
- Complete a marketing actions worksheet to help you spend your marketing dollars. You can download an example worksheet from the marketing page in the [7 steps to business success guide](#) at business.qld.gov.au.

Know your competition

Do you know the level of competition for the product or service you are offering?

- Assess the level of competition for your product or service in your local area.
- Should you consider a different location with less competition? Or are there benefits to being located near your competitors?
- Need more help determining the level of competition that your business may face?
 - Contact the Business Resource Centre on 13 25 23 for a range of information that will help you identify your competitors and assess the level of competition in your area.

- Use online resources such as [Yellow Pages Online](#) to find out more about the number and type of competitors in and around your potential business location.

What do your competitors offer?

Here are some ways to find out what your competitors offer:

- collect flyers, price lists and any other material from your competitors
- drive past your competitors to see what they provide
- consider buying from your competitors to assess their product/service
- compare your competitors' advertisements. Are there similarities or differences in what they offer?

What can your business offer that is better than your competitors?

- Consider what features and benefits customers are looking for and what is not currently provided by your competitors.
- What features or benefits of your product or service differ from what your competitors provide?
- Want more help? Consider attending the 'Attracting new customers to your business and retaining your profitable customers' workshop conducted by your local regional centre. Contact the Business Support Unit on 13 25 23 for more information.

Your business structure

Choosing the best structure for your business is one of the first and most important decisions you need to make. You should seek professional advice before you decide on a business structure because there are many legal, financial and tax issues to consider.

The 4 most common business structures are:

- [sole trader](#)
- [partnership](#)
- [company](#)
- [trust](#).

How will you structure your business?

Sole trader

A sole trader is one individual who runs a business without partners or a company structure. This is the easiest and most inexpensive business structure. A sole trader has full control of the business, including ownership of all profits and responsibility for all debts.

You may need:

- [Australian Business Number](#)
- [business name registration](#)
- [trademark registration](#).

Company

A company must be registered under the Australian Corporations Law. One of the biggest advantages of the company structure is that the liabilities of the company's shareholders may be limited to their share capital. This means shareholders' personal assets cannot usually be seized to pay company debts. As separate legal entities, companies rather than owners are liable for debts. However, establishing a company structure does include higher initial costs and ongoing fees. In addition, company losses cannot be offset against shareholders' other income.

To establish a company you may need:

- [registration of an Australian company](#)
- [Australian Business Number](#)
- [business name registration](#)
- [trademark registration](#).

Partnership

A partnership is a common and relatively simple, informal and inexpensive way to set up or structure a business. It involves 2 or more co-owners participating together in a business. A partnership also requires an intention to make and share profits and an understanding that these co-owners act on behalf of each other in business.

[The Partnership Act 1891 \(PDF, 627KB\)](#) sets out various rules for partnerships. This act places joint liability on all partners for the business' debts and obligations incurred during their involvement in the partnership. Partners are obligated to keep their co-owners properly informed. To ensure that all partners have a clear understanding of their rights, responsibilities and obligations, a written partnership

agreement is vital. This act can be accessed at legislation.qld.gov.au.

To establish a partnership, you may need:

- [Australian Business Number](#)
- [business name registration](#)
- [trademark registration](#)
- [limited partnership formation](#) (only if you have a silent partner).

Trust

A trust is a legal relationship where a trustee (an individual or a company) carries on business for the benefit of other people (the beneficiaries).

To establish a trust, you may need:

- [Australian Business Number](#)
- [trademark registration](#).

Australia Business Number

Australian Business Numbers (ABN) are managed by the Australian Taxation Office (ATO). There is no cost for an ABN and it can take the ATO up to 4 weeks to process your application. For more information contact the ATO on 13 28 66 or visit www.ato.gov.au.

Business name registration

Business name registrations are managed by the Australian Securities and Investments Commission (ASIC) and cost \$30 for 1 year, or \$70 for 3 years. You need an Australian Business Number (ABN) to register a business name. You also need to notify ASIC if you change certain details on an existing business name registration. For more information on registering a business name call ASIC on 1300 300 630 or visit www.asic.gov.au

Trademark registration

A trademark protects your business name and/or logo from use by others. Trademark registration is managed by IP Australia. Application costs vary depending on the type of trademark registration you need and it can take IP Australia 7 or more months to process your application. You need to review your trademark registration after 10 years. Contact IP Australia on 1300 65 1010 or visit ipaustralia.gov.au.

Registration of an Australian company

To register your Australian company, contact the [Australian Securities and Investments Commission \(ASIC\)](http://www.asic.gov.au) on 1300 300 630 or visit www.asic.gov.au. Registration costs will vary depending on your business type and it can take ASIC 1 week to process your application. Before you register, you need to know how many directors your company will have.

Limited partnership formation

To form a limited partnership you need to contact the Office of Fair Trading (OFT) on 13 74 68 or visit www.fairtrading.qld.gov.au. Applications cost \$120 and it may take up to 1 week to process your application. A limited partnership formation is only required if you have a silent partner.

Your business premises

Establishing a new business – where will you operate from?

A new premise

You may need an Integrated Development Assessment System (IDAS) Application. New buildings may also require rezoning and/or development applications. You may also be required to advertise the redevelopment of the site under IDAS.

Existing premises

You may need an Integrated Development Assessment System (IDAS) Application. If the premises are not already used by a business industry of your type, you may require a Change of Use Development Application. You may also be required to advertise the redevelopment of the site under IDAS.

Work from home

You may need an Integrated Development Assessment System (IDAS) Application and an Operate from Home Permit. If the premises are not already used by a business industry of your type, you may require a Change of Use Development Application. You may also be required to advertise the redevelopment of the site under IDAS. Note that some councils have a policy for home-based businesses which must be complied with.

Taking over and renovating an existing business premise

You may need an Integrated Development Assessment System (IDAS) Application. Renovations involving the structure of the building or plumbing require council approval.

Contact the Business Support Unit on 13 25 23 for more information about premises requirements for your business.

Will you be leasing?

If you buy an existing business you may choose to buy or lease the building from which the business operates. There are no licensing requirements for buying or leasing premises, however, you should consider solicitor fees, costs of rent and real estate agent fees. Please note that some councils conduct inspections of existing businesses before they are sold. Contact your council for more information.

Putting up new or amending any existing advertising signage

You may need Advertising Signage Approval. This may include A-frame signs on the footpath. Regulations vary so check with your local council for more information.

Using or obstructing the footpath outside your premise

You may need a Footpath Usage/Obstruction Permit. Some councils do not regulate this form of permit. Check with your local council. This permit remains in effect only for the designated address and operating hours.

Discharge trade waste into the sewerage system

You may need an Application for Approval to Discharge Trade Waste. If you discharge any liquid other than domestic sewerage, then you discharge trade waste. Some councils do not regulate this form of permit. Check with your council. Note that this permit is not transferable.

Other business requirements to consider

Using business vehicles

If you have a business vehicle, you may need a:

- **Commercial Vehicle Registration** - managed by Department of Transport and Main Roads. This is an annual registration that all commercial vehicles must have. Vehicles used for commercial use should be recorded as commercial for both registration and compulsory third party.
- **Commercial Vehicle Permit** - facilitated by your local council. This is the permit that allows your vehicle to be parked in loading zones and other regulated parking space; fees vary and it can take up to 4 weeks to get the permit. Note that some councils do not regulate commercial vehicles.

Playing radio or TV for customers

If you play radio or television to customers in your business, you may need a Music Licence - Public Performance, Broadcast or Diffusion. The Australasian Performing Right Association (APRA) manages this licence. Fees vary and it takes up to 10 days to process. APRA collects revenue for all copyright music.

Playing recorded music or videos for customers

If you play recorded music or videos to customers in your business, you may need a:

- **Music Licence - Public Performance, Broadcast or Diffusion** from the Australasian Performing Right Association (APRA). Fees vary and applications can up to 10 days to process. APRA collects revenue for all copyright music.
- **Music Licence - Public Performance or Protected Sound Recordings** - from the Phonographic Performance Company of Australia (PPCA). Fees vary and it can take up to 5 days to process.
- **Music Video Clips Licence** - also from the PPCA. Fees vary and processing can take up to 5 days.

Tobacco laws

Queensland tobacco laws affect most people running a business. There are penalties for non-compliance,

mandatory employee training for retailers, and bans on smoking in enclosed places such as indoor areas (for example, dining areas while meals are available or consumed, workplaces, workshops, factories, shopping centres, home businesses while an employee is present, work vehicles). Get more information about tobacco laws from Queensland Health by calling 13 74 68.

Keeping records

Under tax law, businesses must keep records that document and explain all transactions. These records include all documents (e.g. invoices, receipts) that are relevant for the purpose of ascertaining your income and expenditure. The records must be kept in written English, or be readily accessible and convertible into written English.

Any books of accounts, records or documents used to prepare your income tax return must be kept for at least 6 years. Other statutory provisions (e.g. company law) require a company to keep records for 7 years after the transaction is completed.

Call the Australian Taxation Office on 13 28 66 or visit www.ato.gov.au for more information.

Insurance

Choosing the right insurance cover is important when starting your business. Having adequate insurance will help protect you from potential risks and losses. Insurances include public liability, contents insurance, income insurance and building insurance. If you operate your business from home check whether you are covered by your insurance company.

Employing staff

Employees will be your most valuable business asset. In most cases they will also be your greatest cost, so it's important to hire the right people. The right staff will have the skills and knowledge you need to help you meet your business objectives.

What will it cost you?

Before you employ staff it's important to do your sums and find out the costs involved, productivity gains and the effect on your bottom line.

The cost of taking on an employee isn't just in wages. You also need to account for ongoing costs in the following areas:

- training and development
- superannuation
- workers' compensation
- insurance
- annual leave
- long service leave
- leave loadings.

These can add 25-30% to wage costs. Also factor in the cost of any necessary protective clothing, tools, and equipment and training, as well as the time you will spend supervising staff.

What type of employee will best suit your needs?

Use this checklist to help you get started.

- Do you need someone for a one-off, short-term project or for ongoing work?
- Is it viable to use an outside contractor?
- What specific tasks do you need the person to perform?
- Does the person need to have specific formal qualifications to do the task?
- How many hours a week do you need someone?
- Should you take on an apprentice or trainee?
- How much can your business afford to pay staff?

Hiring employees

Your goal is to hire employees who will be productive and add value to your business. Below are some key steps that will help you achieve this.

1. **Prepare a job description/advertisement.** Use this opportunity to define the job responsibilities, tasks and activities your employee will perform. Research wages and conditions of employment.
2. **Access recruitment sources that fit the type of job and your budget.** Your options might include using an employment agency,

advertising through your personal and business network, using local media such as newspapers, listing the job on your website, or advertising through recruitment websites, community bulletin boards, trade/professional journals.

3. **Select and appoint a suitable job applicant.** Interview potential job applicants to help you determine a person's suitability for the job at hand. Check their referees to further confirm the suitability of your preferred applicant(s).
4. **Issue a letter of appointment to the successful applicant.** Your letter should include a starting date, the award or agreement under which the person will be employed, the probationary period (if applicable), leave arrangements, hours of work and remuneration.

Your role as an employer

Managing employees is risky for any business because there are many regulations that govern human resources. You should seek professional advice from your industry association, business association or legal adviser. As an employer, it is your responsibility to:

- determine whether an award, industrial agreement or enterprise agreement applies to your employees, and pay them in accordance with the provisions
- contribute to your employees' superannuation at a prescribed minimum rate
- have workers' compensation insurance
- keep time and wages records for each employee
- meet taxation obligations relating to PAYG, payroll tax and fringe benefits tax
- take steps to prevent discrimination against employees
- maintain a safe and healthy workplace
- terminate employment (where it becomes necessary) in a manner that is fair and complies with legislation
- understand employers' regulatory and licensing requirements.

Licence and regulatory information

There are a number of regulatory requirements for hiring employees. These include:



- **Superannuation** - managed by the [Australian Taxation Office](#)
- **Pay As You Go** - managed by the [Australian Taxation Office](#). You can register for PAYG when you register for your Australian Business Number (ABN)
- **Workers Compensation** - managed by [WorkCover](#)
- **Payroll Tax Registration** (required when wages will exceed \$21,153 per week) - managed by the [Office of State Revenue](#).

Note, processing fees and timeframes will vary for the above requirements.

Apprentices and trainees

If your business takes on apprentices or trainees, you need to develop a Training Contract, which will be facilitated by the Department of Education, Training and Employment. The application is free; however, there are fees for copies of the agreement or indenture.

Useful business tools and resources

Business planning

Easy Plan

The [Easy Plan CD template and guide](#) saves you time by helping you to write your business plan, calculate your business's cash flow and forecast potential profits. **\$16.50 (inc GST)**

Think. Plan. Grow.

The [interactive Think. Plan. Grow. CD](#) is a complete business planning and monitoring suite, which includes sample business plans, a detailed planning guide, financial spreadsheets and a presentation template. **\$38.50 (inc GST)**

PlanSMART kit

Whether you're starting a business or investigating new opportunities, a [PlanSMART kit](#) provides you with essential market, industry and research information that is tailored to your specific business type and location.

The information in a PlanSMART kit is crucial to your business planning, because it gives you a clear

picture of the factors currently affecting the potential success of your business.

A PlanSMART kit may help you to identify unexpected opportunities or prevent costly mistakes, giving your business a strong foundation. **\$44.00 (inc GST)**

Webinars

Web-based seminars are an ideal way for you to improve your business skills without having to leave your desk. The Queensland Government provides a range of [webinar topics](#) to help you plan for and continually improve your business.

Trade and export

[Trade and Investment Queensland](#) aims to help Queensland companies earn more export dollars through individualised and targeted services such as workshops, seminars, networking events and mentoring.

Online business resources

The Queensland Government's business website hosts more than 200 learning guides, diagnostics, tools and resources to help you start, run and grow your business. Visit business.qld.gov.au.

You can also sign up to or visit the Queensland Government's business social media channels to receive business updates, links to useful information and support, and case study videos:

- **Facebook** - facebook.com/businessqldgov
- **Twitter** - twitter.com/businessqldgov
- **YouTube** - youtube.com/BusinessQldGov.

Useful business contacts

Business Support Unit

For more information on licences, regulations, market research, business planning and other support services phone 13 25 23 or visit business.qld.gov.au

AusRegistry Pty Ltd

Domain name registration
Phone (03) 9866 3710
Visit www.ausregistry.com.au

Australian Copyright Council (ACC)

Copyright information
Phone (02) 8815 9777



Visit www.copyright.org.au

Australian Institute of Management (AIM)

Development of management and leadership

Phone 1300 882 895

Visit www.aim.com.au

Australian Made/Australian Grown

Australian Made logo / stickers

Phone 1800 350 520

Visit www.australianmade.com.au

Australian Securities & Investments Commission (ASIC)

Company registration and business name searches

Phone 1300 30s0 630

Visit www.asic.gov.au

Australian Taxation Office (ATO)

Phone 13 28 66

Visit www.ato.gov.au

Chamber of Commerce and Industry Queensland

Range of information for business

Phone (07) 3842 2244

Visit www.cciq.com.au

CPA Australia

Accountants

Phone 1300 137 322

Visit www.cpaaustralia.com.au

Department of Justice and Attorney-General

Queensland based workplace relations information and assistance

Phone 3225 2299

Visit www.justice.qld.gov.au/fair-and-safe-work/industrial-relations

Fair Work Ombudsman

Information and advice about Australia's workplace rights and rules

Phone 13 13 94

Visit www.fairwork.gov.au

Franchise Council of Australia

Franchise information

Phone (03) 9508 0888

Visit www.franchise.org.au

GrantsLink

Information on Commonwealth grants programs, with links to state or local government and non-government or commercial sites.

Phone 1800 026 222

Visit www.grantslink.gov.au

GS1 Australia

Barcodes

Phone 1300 366 033

Visit www.gs1au.org

IP Australia (Australian Government)

Patents, trademarks and designs.

Phone 1300 651 010

Visit www.ipaustralia.gov.au

National Insurance Brokers Association of Australia

Need a Broker Service

Phone (02) 9964 9400

Visit www.needabroker.com.au

Office of Fair Trading

Trading laws for businesses and customers (including signs for retailers)

Phone 13 74 68

Visit www.fairtrading.qld.gov.au

The Australian Institute for Commercialisation (AIC)

New product commercialisation and development assistance

Phone 1300 364 739

Visit www.ausicom.com

Workcover Queensland

Workers' Compensation Insurance

Phone 1300 362 128

Visit www.workcoverqld.com.au

Workplace Health and Safety

Health and safety information for employers and workers

Phone 1300 369 915

Visit www.deir.qld.gov.au/workplace/index.htm

