

Territory Business Information Kit Information Pack

Your Territory Business Information Kit contains a checklist of things you may need to do to start a business in the Northern Territory. It provides you with information about issues relevant to Northern Territory businesses, with a checklist, fact sheets and details on where to go for help.

This Information Pack contains a checklist that can be used to ensure that relevant issues have been addressed. The checklist has already been marked with a tick if you said that you had already addressed an issue, and with a cross if you said the issue was not relevant to your business.

How to use this report:

1. Read the information provided and consider which issues are relevant to your business.
2. Determine the order in which you need to address the issues. Generally the topics appear in your report in the order in which you will address them however, your business advisor, accountant or solicitor can help you confirm the best order for your business.
3. Use the checklist to assist you (and your advisor, accountant, solicitor) to ensure all issues have been fully addressed.

Your business advisor or accountant, solicitor, or the relevant Government agencies will be able to assist you to determine the order in which you need to apply for licences.

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Your Checklist

Business Planning

Preparing a business plan assists you to look at your business objectively.

It will help you to identify strengths and weaknesses, pinpoint needs that could easily be overlooked, identify problems before they arise and provides information for others to evaluate your venture.

More information about Business Planning appears on page 7.

Business Structure

There are four main business structures used by small business:

- Sole Trader;
- Partnership;
- Trading Trust; and
- Company.

Your choice depends on the circumstances of your business, the other people involved in it, any potential tax benefits and your goals for the future of the business.

More information about Business Structure appears on page 9.

Business Names, Company Names, Domain Names and Trade Marks

Once you have decided which business structure is right for you, you then need to decide what name you will use to trade.

If you intend to trade in a name other than a company name or your own name(s), you must register that business name

More information about Business Names, Company Names, Domain Names and Trade Marks appears on page 11.

Location & Planning Approval

The location of your business can be a major contributor to its success. It can give customers an impression about the type of business you have and how you conduct it.

You may also have specific requirements for the size of the building and the infrastructure and utilities such as water and power. You may also want to collocate with other complementary businesses.

More information about Location & Planning Approval appears on page 13.

Franchising

A franchise is a type of business ownership where an individual, partnership or company can operate a business under a banner of an already established business.

More information about Franchising appears on page 15.

Taxation

The taxation requirements and the registrations you may require for your business will depend upon the business structure you choose and the nature of your business, but can include:

- Australian Business Number;
- Tax File Number;
- Goods and Services Tax;
- Fringe Benefits Tax; and
- Pay As You Go.

More information about Taxation appears on page 17.

Record Keeping

Keeping good records is vital for any business to succeed. Records kept on paper are just as valid as those stored on computer. The Australian Taxation Office (ATO) requires all businesses keep taxation records for a period of five years.

Ultimately what is important is that you keep accurate, relevant records and update them on a frequent basis.

More information about Record Keeping appears on page 19.

Other Licences

Most businesses require some form of licensing, whether it's a general licence or an activity-specific licence.

Business licences include registrations, approvals, licences, permits, and other compliance requirements such as notifications. You should ensure that you have the correct licences before commencing your business.

More information about Other Licences appears on page 21.

Insurance

Some forms of insurance may be compulsory for your business, such as workers' compensation and third party car insurance.

Other types of insurance you may need include personal accident and illness, assets & revenue cover and various liability insurances. Your requirements will vary according to your circumstances.

More information about Insurance appears on page 23.

Employment

If your business will employ staff there are a number of issues you may need to be aware of including:

- the type of employees you can employ;
- the impact of Industrial Relations legislation on you and your employees;
- your taxation & superannuation requirements;
- your workers compensation insurance requirements; and
- your occupational health and safety obligations.

More information about Employment appears on page 25.

Other Services

New or growing businesses often face a number of issues including employing staff and planning for business growth.

More information about Other Services appears on page 27.

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Disclaimer

The information contained on the Australian Business Licence and Information Service (ABLIS) web site, or via packages or other sources is intended for general guidance only.

To the full extent permitted by law, the Federal, State, Territory and Local Governments make no representations or warranties (expressed or implied) in relation to the information, including its accuracy, currency or completeness.

The business information provided does not constitute professional or legal advice, nor is the use of any third party resource an endorsement of the information contained, the associated organisation, product or service. It is recommended that you obtain appropriate professional and /or independent legal advice to ensure that the material provided here is relevant to your particular circumstances.

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Contacts

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Department of Trade, Business and Innovation

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Email : businessinformation@nt.gov.au

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631 Stuart Highway
Berrimah NT 0828

GPO Box 9800
Darwin NT 0801

Phone : 0889821700

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Email : territory.businesscentre@nt.gov.au

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Business Planning

A business plan should clearly explain the **who, what, where, why, when**, and **how** of the proposed business opportunity. It should have details of the business opportunity, its market, the people involved, the money required to implement the plan and where it will come from, and what financial results it is likely to produce. There is no right way of doing a business plan but as a minimum it should contain the following topics:

- Executive Summary;
- Marketing Plan;
- Operations Plan;
- Organisational Plan; and
- Financial Plan.

Other Useful Information

[Business Planning Templates](#)
business.gov.au provides business planning templates.

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Business Structure

Some of the advantages and disadvantages of the four main business structures used by small business are:

Sole Trader

Advantages

- Easy and cheap to establish
- Total control of business
- Least reporting requirements
- Taxation advantages if profits low

Disadvantages

- Capital limited by personal assets
- Unlimited personal liability for business debts
- Holiday breaks and illness may be an issue
- Taxation disadvantages if profits high
- Sole trader not covered by Workers Compensation or Superannuation Guarantee legislation

Partnership

Advantages

- Inexpensive to establish
- Access to more capital
- Access to skills, knowledge
- Shared control and responsibility
- Tax advantages where family relationship
- Easy to dissolve

Disadvantages

- Needs Partnership agreement
- Disputes can arise over authority, profits etc
- Unlimited personal liability for debts incurred by other partners
- Other partners can dissolve business
- Possible tax disadvantages
- Partners not covered by Workers Compensation or Superannuation Guarantee legislation

Trading Trust

Advantages

- Possible taxation advantages
- Easier succession planning

Disadvantages

- Complex and expensive to establish and run
- Higher compliance costs
- May be difficult to dissolve

Company

Advantages

- Limited liability for business debts
- Separate legal entity, can make agreements, sue and be sued
- Can own property
- Working directors may be covered by Workers Compensation and Superannuation Guarantee legislation

- Can attract investors
- Can easily transfer ownership

Disadvantages

- Relatively expensive to establish
- Higher compliance costs
- Strict compliance rules
- Company tax payable

Other Useful Information

[Australian Taxation Office - Business Structure Information](#)

The Australian Taxation Office provides useful information on what business structure may best suit your needs.

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Business Names, Company Names, Domain Names and Trade Marks

Once you have decided which business structure is best for you, you then need to decide what name you will use to trade. This is known as your trading name or business name.

Business Names

If you intend to trade in a name other than your own name (or company name) then you must register a business name. The registration is valid for a period of up to three years, and can be renewed, provided you comply with the requirements of the Business Names legislation.

It is important that you carry out checks to make sure the business name you have chosen can be registered. If it is too similar to another business name, or the same as an existing company name it may be refused.

It is also very important that you check to make sure your business name will not infringe another person's trade mark. A trade mark protects a business's exclusive rights to use particular words or symbols, including its name. If your business name infringes a trademark you may be required to change that name even if it is registered.

Company Names

Companies and their names are also registered nationally and have a legal status across Australia. Unlike business names, company names may be registered even if they are similar to an existing company or business name.

Domain Names

If you intend to set up a web site for your business, you will need to register a Domain Name. You do not have an automatic right to a particular domain name just because you have registered that business or company name, or trade mark. Domain names are licensed on a 'first come, first served' basis to eligible applicants.

When choosing a domain name consider the following:

- Does the name make sense to your customers;
- Is it easy to remember and type; and
- Would your customers be able to guess the name.

Trade Marks

Registering a trade mark is a complex and time-consuming process and should be undertaken in consultation with your financial advisor, accountant or solicitor.

In summary:

- **Business Names** registration is national;
- **Company Names** registration is national;
- **Domain Names** are a licence to use a name for a particular period; and
- **Trade Marks** offer exclusive protection of your right to particular words or symbols, including your business name.

Other Useful Information

[ASIC Connect - Business & Company Names](#)

The ASIC Connect service can be used to check if the business or company name you have chosen is already in use, and to register your business name online. Company registrations are usually done via accountants, financial advisers or specialised services.



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Location & Planning Approval

The location of your business can be a major contributor to its success. Where your business is located can give customers and suppliers an impression about the type of business you have and how you conduct it. Other aspects of your location, such as the ease of access you have to customers, suppliers and transport, can be major contributors to your business bottom line. These include:

- Are your customers able to access your business easily;
- Can you get supplies easily;
- Is the infrastructure you need available;
- What competition is there in the same area;
- Are there complementary businesses in the surrounding area;
- Is there suitable transport, access and parking;
- Does the location and premise reflect your business image (if relevant.); and
- Is your business activity permitted, discretionary or prohibited under the NT Planning Scheme Zone for that address.

Planning Approval

If the activity is discretionary you will have to obtain approval from the Development Consent Authority to conduct your activity at that address. If the activity is prohibited in that Zone you will need to find another location for your business.

Many small businesses start from home. In the Northern Territory you may also require consent from the Development Consent Authority if you intend to run your business at, or from, your home. You could also require the approval of other bodies such as your landlord, or your body corporate.

Under the *Planning Act* and NT Planning Scheme, whether or not you need approval to run your business at or from your home (and any requirements you must meet) depends upon where you live.

To decide whether or not you will require consent, or any restrictions that may exist on your use of your home for business, you will first need to know the Planning Scheme requirements and zone that relate to your property.

You can check whether you need consent by contacting the Department of Infrastructure, Planning and Logistics (08 8999 6046). Alternatively, you can use the [Planning Scheme Business Information Finder \(PSBIF\)](#) web site.

PSBIF provides you with a tailored report that includes information about properties that are covered by the NT Planning Scheme, it gives details of the zoning of your property and whether your business activity is permitted, discretionary or prohibited.

Other issues to be considered:

- Is your property the subject of a covenant that prohibits its use for business purposes, or for particular business purposes;
- Does your mortgage or rental agreement permit the property to be used for business purposes;
- If you are renting from Territory Housing, do you have their permission; and
- If your property is strata title, do you have the permission of the body corporate.

If you are planning on leasing or buying a premise you should ensure that it is zoned appropriately so that you carry out your business activities before committing to any purchase or lease agreement.

Other Useful Information

[Northern Territory - Planning Scheme](#)

The NT Government web site provides useful information about the Planning Scheme and what may be permitted or prohibited in each Zone.

[Planning Scheme Business Information Finder \(PSBIF\)](#)

The Planning Scheme Business Information Finder (PSBIF) provides you with a tailored report about properties that are covered by the NT Planning Scheme, it gives details of the zoning of your property and whether your activity is permitted, discretionary or prohibited. If your activity is permitted or discretionary the report also provides information about any conditions or requirements with which you must comply.



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Franchising

A franchise allows you to run your own business but still benefit from the security and experience of a large organisation, backed up by a proven business system, with existing training programs, equipment, marketing tools and brand recognition.

Like all small businesses, franchises are not without risk and you should carefully evaluate a franchise before paying for the licence. Buying a franchise involves the normal checks and due diligence you would apply to starting your own business or buying any existing business.

Advantages of a franchise include:

- use of an already-established business name and reputation;
- access to the franchisor's management systems and industry knowledge;
- support of the franchisor in establishing and running the business; and
- flow-ons from the franchisor's advertising, buying power, established goodwill and trade marks.

Disadvantages may include:

- franchisor control of management techniques, supply sources and product/service range;
- reputation of franchise may be affected by factors beyond franchisee's control;
- franchisor could have financial difficulties or sell the head franchise; and
- franchise could have defined/limited geographical market thus reducing the potential to grow the business.

Other Useful Information

[Franchising Code of Conduct](#)

The Franchising Code of Conduct ensures that franchisees are informed of all relevant facts when starting their business, and that they can access a fast and relatively inexpensive way to resolve any disputes.



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Taxation

The common taxation registrations you may require for your business include:

- **Australian Business Number (ABN)** - this registration is not compulsory for businesses, however if you intend to register for GST, FBT or PAYG you will require an ABN. If you do not have an ABN any payments made to you will have tax withheld. You can apply for an ABN even if you don't register for GST, FBT or PAYG;
- **Tax File Number (TFN)** - sole traders use the individuals TFN; Partnerships, Trusts and Companies have their own TFN used when lodging their annual returns. Can be applied for with the ABN;
- **Goods and Services Tax (GST)** - any business with a turnover of more than \$75,000 per year must register for GST. Businesses with a turnover of less than \$75,000 may register. Registration allows you to claim input tax credits for the GST included in the price of things bought for the operation of your business;
- **Fringe Benefits Tax (FBT)** - is payable on a range of non-salary employment related benefits which are provided by employers (or by a person on their behalf) to their employees, or to people associated with employees such as family members; and
- **Pay As You Go (PAYG)** - you are required to withhold tax from payments to employees, some contract workers and other businesses that do not quote you an ABN on their taxation invoice. You may also be required to pay income tax instalments on your business income each quarter using PAYG. You must register as soon as any of these situations arises.

Other Useful Information

[ABN Registration](#)

Businesses can apply for an ABN online on the Australian Business Register website or by lodging a form by mail.

[Australian Taxation Office - Fringe Benefits Tax \(FBT\)](#)

The ATO website has information about the types of benefits provided to employees that may incur Fringe Benefits Tax

[Australian Taxation Office - PAYG Information](#)

The Australian Taxation Office (ATO) provides information on PAYG withholding for business.

[Australian Taxation Office - Tax Basics Webinars](#)

The Australian Taxation Office (ATO) provides free seminars designed primarily for people just starting out in business, to give them a basic understanding of small business tax issues and obligations.



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Record Keeping

Keeping good records is vital for any business to succeed. Records kept on paper are just as valid as those stored on computer. What is important is that you keep accurate, relevant records and update them on a regular basis.

The Australian Taxation Office (ATO) requires all businesses keep records for a period of five years. You may have to pay a penalty if you are unable to back up the statements made in your Goods & Services Tax (GST) and income tax returns. Benefits to you include certainty in the amount of tax you pay, better management of debtors and creditors, and better use of your accountant's time.

The *Fair Work Act* also imposes record keeping requirements for certain employee records.

Remember, in Australia, one micro-business in every fifteen fails because of poor record keeping.

Other Useful Information

[Record Keeping Evaluation Tool](#)

The Australian Taxation Office provides a Record Keeping Evaluation Tool. It is aimed at new businesses, to assess what records need to be kept and how.

[Record Keeping for Small Business](#)

The Australian Taxation Office provides an **excellent** guide which contains information on what business records you need to keep and outlines a basic record keeping system. The Record Keeping for Small Business Guide is also available on paper from the ATO.



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Other Licences

Most businesses require some form of licensing, whether it's a general licence or an activity-specific licence. Business licences include registrations, approvals, licences, permits, and other compliance requirements such as notifications. All levels of government (Commonwealth, Territory and local government) issue licences, permits and registrations. General licences, which may apply to any business, include:

- Business Name or Company registration;
- Registration as an employer (if you will be employing staff); and
- ABN, GST, and other taxation registrations.

Particular business activities may also require specific licences, e.g a cafe or restaurant may require a 'Sidewalk Cafe Permit'. There are also licences that relate to specific occupations, such as registration as an electrical contractor, or plumber. The licences that you require depend upon your specific circumstances.

Business Licence Information

To determine exactly what licences and permits you may require, contact Territory Business Centres (1800 193 111). Alternatively use the ABLIS website at <https://ablis.business.gov.au/pages/home.aspx>. ABLIS helps you find the government licences, permits, approvals, registrations, codes of practice, standards and guidelines you need to know about to meet your compliance responsibilities.

Other Useful Information

[Australian Business Licence Information Service \(ABLIS\)](#)

The ABLIS provides information on business licensing and compliance requirements for local councils, and the Northern Territory and Australian Governments.



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Insurance

The insurance needs of a business can be complex, you should discuss your insurance needs with an insurance broker or insurer before commencing your business. Some of the policies available to business include:

- **Burglary Insurance** - covers theft of property and damage by burglars, following forcible entry to your premises;
- **Business Interruption or Loss of Profits Insurance** - covers business interruption through damage to property by fire or other insured perils;
- **Fire and Other Perils Insurance** - covers the building which houses your business, plus its contents and stock. The risks covered are fire and other perils;
- **Partnership Insurance** - in the event of the death of a partner it protects surviving partner/s against the demands of the deceased partner's estate;
- **Personal Insurance (illness death or accident)** - is particularly important if you are self-employed or a subcontractor and you are not covered by workers compensation insurance;
- **Professional Indemnity Insurance** - covers breach of professional duty. This type of insurance is not cheap, but could be critical if you work as a consultant or set yourself up as an expert/adviser;
- **Public Liability Insurance** - covers your legal liability arising out of the conduct of your business. This covers compensation or legal costs if someone dies, is injured or suffers some damage to property caused by you or your employees;
- **Product Liability Insurance** - covers damage to another business and/or death or personal injury caused by the failure of a product you manufacture, assemble, modify, import or sell;
- **Workers Compensation Insurance** - is compulsory in the Northern Territory. If you are an employer you must take out and keep up to date a Workers Compensation insurance policy covering all your workers, with an approved insurer. If you are a working director you may take out workers compensation insurance to cover you. If you are self-employed or a subcontractor, you are not covered by workers compensation insurance and should take out Personal insurance (see above); and
- **General Property Insurance** - covers the cost of repairing or replacing specified items that were accidentally lost or damaged, such as cameras, mobile phones, tools, etc.



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Employment

Workers for your business can be:

- **Employees** - they receive salary or wages, with tax taken out, and superannuation paid on their behalf by you. They can be permanent full time or part time, or casual. Permanent employees have other entitlements such as holidays and sick leave;
- **Labour Hire workers** - you pay another business (or agency) to provide you with workers on an agreed basis, often hourly. You can get people at short notice with specific skills, or for a short period. You pay the agency a fee which often includes a commission. The agency is the employer, and pays the wages, tax and other entitlements of the workers;
- **Contractors** - you pay contractors (or subcontractors) to perform set tasks for a fee. They run their own business, have their own insurance and provide you with an ABN. They are generally more expensive than employees, but can bring specialised skills to your business. They are often used for a single job, or for jobs of a particular type; and
- **Australian Apprentices/Trainees** - can be employed either directly, or through a Group Training Organisation. The Group Training Organisation is the employer and the trainee is then provided to you, in an arrangement similar to labour hire for employees. There are financial incentives for employing Australian Apprentices/Trainees.

There are advantages and disadvantages to each of these alternatives, and you should consider which one (or combination) is the best for your business.

Contractors

If you intend to use independent contractors, rather than employees, you must ensure that you comply with the Commonwealth Independent Contractors laws.

Industrial Relations legislation

All businesses in the Northern Territory employ staff under the Commonwealth Industrial Relations legislation. For more information about the legislation contact the Fair Work Commission.

Taxation and superannuation

You must withhold income tax contributions from payments made to employees, but not for contractors who provide an ABN, or labour hire firm workers. Under the Superannuation Guarantee legislation you must pay superannuation of 9.5% into a superannuation fund for each employee (or in some circumstances, contractors).

Workers Compensation Insurance

All employers must have workers compensation insurance to cover their workers as required by law in the Northern Territory.

If you are a working director your business **may** take out workers compensation insurance to cover you. There are additional requirements that you must notify your insurer. There are similar requirements for family members employed in the business.

In the Northern Territory you must insure with one of the NT WorkSafe approved insurers.

Occupational Health and Safety

Safety in the workplace is critical to the success of running a business, no matter what size it is. As a small business owner you have certain rights and responsibilities regarding health and safety in your workplace, irrespective of whether your workers are employees, labour hire workers or contractors.

Other Useful Information

[Australian Taxation Office - PAYG Information](#)

The Australian Taxation Office (ATO) provides information on PAYG withholding for business.

[Australian Taxation Office - Superannuation Information](#)

The Australian Taxation Office (ATO) provides information about your superannuation obligations as an employer.

[Australian Taxation Office – Contractors](#)

The Australian Taxation Office (ATO) provides information about whether a worker is a contractor or employee.

[Fair Work Ombudsman](#)

The Fair Work Ombudsman enforces compliance with the Fair Work Act, related legislation, awards and [registered agreements](#). We also help employers and employees by providing advice and education on pay rates and workplace conditions.

[Independent Contractor Laws](#)

The Independent Contractors legislation is available online.

[NT WorkSafe – Safety in the Workplace](#)

NT WorkSafe provides information for employers and employees regarding workplace safety.

[NT WorkSafe - Approved Insurers](#)

NT WorkSafe publishes a list of approved insurers for workers compensation insurance in the NT.



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Other Services

New Business Issues

The Business Enterprise Centre (BEC) runs a series of free workshops aimed at providing an introduction to participants into 5 specific and important areas related to the commencement of a business.

- Starting a Business
- Business Structures and Tax
- Introduction to Bookkeeping
- Developing a Business Plan
- Marketing

Taxation Issues

The Australian Taxation Office provide free seminars, aimed at giving people a basic understanding of small business tax issues and obligations. They cover:

- Income tax
- Business structures
- Business expenses
- Superannuation guarantee
- Record keeping
- Capital gains tax
- Pay As You Go
- GST and BAS
- Employing people
- Simplified tax system (STS)

New Enterprise Incentive Scheme (NEIS)

The New Enterprise Incentive Scheme (NEIS) is aimed at people who are starting a new business. NEIS provides you with training in small business management and business skills and will help you develop a business plan.

At the end of your training (up to three months), your business plan will need to be approved before you can start your business with NEIS assistance. If your plan is approved, you will receive business advice and mentoring support during the first year of business operation. This program is provided by the Australian Government.

Upskilling

The Department of Trade, Business and Innovation offers a number of workshops that aim to provide participants with new ideas that can increase their business management skills and capabilities. Workshops are run over a number of different topics.

Other Useful Information

[Australian Taxation Office - Tax Basics Webinars](#)

The Australian Taxation Office (ATO) provides free seminars designed primarily for people just starting out in business, to give them a basic understanding of small business tax issues and obligations.

[Business Enterprise Centre - Workshops](#)

The Business Enterprise Centre (BEC) run a series of free workshops aimed at providing participants with a basic knowledge of five specific and important areas of commencing a business.



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