

# Starting a Sole Trader Business Guide

A sole trader is the simplest and cheapest business structure to set up. You are fully responsible for the business and make all decisions. You can also hire employees. Follow the links below for more information.

## Essentials

### 1. Decide on a business idea

- Choose a business idea that matches your [skills and knowledge](#).

### 2. Licenses and permits

- Use our [Business Licence Finder](#) to generate a free report that will help you discover the licences, permits and registrations you need to start or run your business.

### 3. Get an individual Tax File Number (TFN)

- Use your personal TFN for tax purposes. If you don't have one, apply through the [Australian Tax Office](#) (ATO).

### 4. Use the [Business Registration Service](#) for the following

#### Australian Business Number (ABN)

- Apply for an ABN through the Australian Business Register (ABR). This is essential for all your business dealings and to avoid withheld payments.

#### Business Name

- If you plan to use your own personal name, then you DO NOT need to register a business name. Eg: If Mary Smith operates her craft business as "Mary Smith" she does not need to register.

If she wants to trade as "Mary's Craft Creations" she needs to register that name.

- If you plan to operate under a name other than your personal name, register your business name with the Australian Securities and Investment Commission (ASIC).

#### Register for Goods and Services Tax (GST)

- If your annual turnover is \$75,000 or more, you need to register for GST.
- Uber and Taxi Drivers MUST register for GST before commencing services.

### 5. Business premises

- Contact the local council for the area that your [business is based](#) to check registration requirements.
- Home based or mobile businesses may still need to register with your local council.
- If you are renting your home, then obtain your landlord's permission.

### 6. Arrange business insurance

- Obtain necessary [insurance](#) to protect your business from potential risks. This includes public liability insurance and, if you have employees, workers' compensation insurance.

### 7. Understand your tax obligations

- Keep track of your business income and expenses using accounting software or spreadsheets. Understand your [tax obligations](#), including deadlines for GST, income tax and keeping financial records for at least five years.

## Recommended

### 8. Create a business plan

- Develop a [business plan](#) to guide your operations and strategy. This includes market research, identifying your target audience, and understanding your competition.
- Use our simplified [one page business plan](#) to bring clarity and focus to your business vision and goals.

### 9. Open a business bank account

- It is recommended to open a [separate bank account](#) for your business to keep track of business income and expenses.

### 10. Create website and business social media accounts

- Establish an [online presence](#) and use social media platforms to promote your business and engage with customers.

### 11. Develop a marketing plan

- Outline your [marketing strategies](#) and goals to effectively reach your target audience.

### 12. Find business support

- Seek guidance from experienced business mentors or [advisers](#) to help you navigate the challenges of running a business, such as the SBDC, accountant, lawyer, personal mentor.
- Participate in our low-cost practical [workshops](#), packed with key information and useful hints and tips.
- Download free [templates, tools and guides](#), designed to help you create essential documents for your business and build your knowledge.
- Join the SBDC's private Facebook group '[I'm a small business owner in Western Australia](#)' to gather and share advice, tips and tricks with over 15,000 fellow small business owners.
- Explore local business networks through your council, business association or Chamber of Commerce.

## Optimal

### 13. Secure funding

- If necessary, [obtain funding](#) from reliable sources to support your business operations.

### 14. Develop a risk management plan

- Create a plan to mitigate [potential risks](#) and handle unexpected events. This may include [intellectual property](#) and [cyber security](#).