



Doing business in Australia 2023/24

A practical guide

mazars



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Mazars in Australia

About us

Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in nearly 100 countries and territories around the world, we draw on the expertise of more than 47,000 professionals – 30,000+ in Mazars’ integrated partnership and 17,000+ via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

*Where permitted under applicable country laws

Mazars in Australia is a trusted and independent firm with a long standing history providing audit and advisory services to local and international firms.

Specialising in accounting, business advisory, outsourcing, audit, taxation, superannuation, financial advisory services, and HR and IR advisory, we offer a comprehensive range of services and tailored value-driven solutions in any area of business.

Australian expertise with worldwide reach

Mazars is a global team with local, on-the-ground experience in doing business in Australia. Our worldwide integrated partnership brings together the experience of over 47,000 skilled professionals in nearly 100 countries and territories. In Australia, we draw on the expertise of 47 partners and over 350 professionals based in Brisbane, Melbourne, Sydney and Toowoomba.

Through our allied firms, we also provide seamless support in major cities across Australia and New Zealand.

Creating shared values

Our team is driven to create quality outcomes and shared value for all our clients in their day-to-day operations. It’s this commitment to finding practical solutions, along with our breadth of resources and experience, which enables us to assist companies of all types located in Australia, North America to Europe, Asia-Pacific and the Middle East.

For more information about how our services can support your business, contact www.mazars.com.au today.



350+ professionals



5 offices



47 partners

*Figures as at 1 September 2023

What this guide offers

Making the most of this information



What this guide offers

Making the most of this information

Welcome to Australia. We look forward to working with you.

Conducting business across borders involves challenges and complex decisions. This guide is an overview for those aiming to establish a successful business in Australia.

We've highlighted key legal and regulatory areas to create a practical, action-focused guide. We will help you ask the right questions in areas such as foreign investment policy, tax requirements, compliance, insurance regulations, employment laws and government initiatives.

Our aim is to help you navigate the challenges and opportunities you will encounter as you establish an Australian business. The experience, knowledge and integrity of the Mazars team means we can work alongside you as a strategic local partner you can trust.

Our expertise working within Australia's business landscape will reduce uncertainty and risk, while helping you to recognise and make the most of the many benefits Australia has to offer.

This is your first step towards establishing a successful Australian business.



Australia at a glance

Key facts of the market

Australia: the great investment destination

Australia boasts an established legal, political, financial and social system and its low tax and adaptive regulatory environment making it a business-friendly nation. The Australian Government supports investors through various grants and incentives in industries including clean energy and renewables, medical research, and transport infrastructure.

Strong economic fundamentals and prudent economic management show that Australia's economy is expected to grow by 1.6% in 2023. This growth will again outpace other advanced economies, whose growth rates will average 1.3% in 2023.

Australia remains the world's 12th largest economy and is set to become a renewable energy superpower due to its vast solar and wind resources, and an abundance of rare earth and other minerals. These resources make Australia an ideal destination for investors who want to export renewable energy.

Australia is also a tech-powered economy. Classified as a single industry, Australia's outsized AU\$167 billion technology sector is now the third largest contributor to GDP in Australia. Australia ranks fourth in the world for digital consumption and ranks second in Asia for fintech development. According to Nature, Australia is also one of the top 10 countries in the world for contributions to life sciences research.

Strong trade growth

Australia is a highly globalised economy. Trade represents around 45% of Australia's economy. Australia actively seeks new trading opportunities and has 17 free trade agreements plus having led the formation of multiple regional trade agreements in the Asia-Pacific region. Low tariffs and ready access to Asian markets make us a natural gateway for inward investment from other global regions. Almost 80% of our trade is now with fast growing economies in the Asia-Pacific region.

Source: <https://www.globalaustralia.gov.au/why-australia/benchmark-report-2023>

Australia by numbers

7.7 million square kms

Land

4,000 km east to west

Distance

+25m, seasonally
adjusted workforce of 12.9m

Population

3 time zones overlapping
much of Asia

Global position

7 major international airports

Transport

14

World bank ease of doing business

Australia at a glance

Key facts of the market

Reserve Bank of Australia overview

The following September 2023 snapshot shows Australia's key areas of economic growth.



Source: [Reserve Bank of Australia, 2023](#)

* Data in this snapshot is updated regularly online and may not be accurately reflected in this guide.

Setting up a business in Australia
Your guide to the essentials



Setting up a business in Australia

Choosing the right business structure

Establishing your business in Australia requires careful planning and local expertise. This section provides an overview of the essential issues.

Choosing the right business structure

Choosing the best structure for your business is crucial. In making this decision, you will need to consider your overall strategy along with issues such as:

- Tax and reporting requirements;
- Debt/equity funding;
- Profit repatriation; and
- Asset protection.

Foreign business structuring options

Australian businesses have a range of structuring options: sole trader, joint venture, partnership, trust or company (public or private).

The two most common structures for foreign businesses are:

- Private company (subsidiary); and
- Branch office.



Setting up a business in Australia

Private company

A private company has the simplest business structure. It is a separate legal entity that can be owned by local and/or foreign shareholders and provides limited liability to these shareholders.

a. Registering your private company

A private company requires at least one Australian resident director and a public officer that ordinarily resides in Australia. The company is incorporated through registration with the Australian Securities and Investments Commission (ASIC), which can usually be completed within one working day.

From 5 April 2022, both Australian and foreign Directors also need to obtain a Director Identification Number with the Australian Business Registry Services (ARBS) before appointment.

b. Company size and regulations

Private companies are categorised with ASIC as large or small. A company is large if it meets two of these criteria:

- Revenue of AU\$50m or more;
- End of the year gross assets of AU\$25m or more; or
- 100 employees or more at year end.

Companies will need to take into account the revenue, assets and employees of any entities it controls in considering whether it meets the above thresholds.

c. Additional considerations

Additional Australian Taxation Office (ATO) registrations that may be required to conduct business in Australia may take up to 28 working days to be established.

Another important consideration is the establishment of an Australian bank account which may also take time to complete.

Ensuring adequate time is provided for in setting up business, prior to commencement of trading, will allow for a smooth start to your Australian operations.

A private company may not be right for you if:

- Your company is likely to involve more than 50 shareholders
- It will operate as a charity or non-profit
- You intend to offer shares to the public in the future

Setting up a business in Australia

Branch office

Unlike a private company, a foreign company operating a branch in Australia is not a separate legal entity, so the foreign company may still be exposed to risks from conducting business in Australia and must also still comply with Australian tax law. If your business has a limited time span or scope in Australia, a branch may be the best option for you.

a. Registering your branch

Like private companies, branches must also register with ASIC, however the process can take several months. ASIC will need detailed information about the company, your officeholders and operations.

b. Potential tax benefits

Where you operate a branch in Australia and are a resident of a country which Australia has a double tax agreement with, you will only be taxed in Australia on Australian sourced business profits derived through that branch.



Setting up a business in Australia

Foreign investment regulations

While Australia is open to foreign investment, the [Foreign Acquisition and Takeovers Act 1975](#) regulates foreign transactions to decide whether they are in the national interest before they are approved.

The Foreign Investment Review Board (FIRB) makes this decision and guides the federal government. In some cases, the Australian Treasurer may also assess transactions.

Transactions that require FIRB approval

- Residential property purchases;
- Vacant, non-residential land purchases;
- Acquisition of equity investments in Australian corporations;
- Acquisition of shares in foreign entities which own Australian assets; and
- Acquisition of a significant interest in developed non-residential commercial real estate.

For more information on foreign investment regulations, visit the [FIRB website](#).

Australia's taxation laws

Like any country's tax laws, Australian tax laws for foreign companies are detailed and complex. We've outlined the most relevant areas to guide you through your initial decision to set up an Australian business.

Key tax questions for companies

a. How much tax will I pay?

If you are relocating to Australia, it is important to consider your individual residency status as it will impact how much of your income will be taxed in Australia and at what rate. There are a number of tests that determine residency, and while there is a 183 day test, the more subjective 'resides test' is the primary test to determine residency in Australia.

Australian tax-resident companies pay tax on their worldwide income. A foreign resident, on the other hand, will usually only be taxed on income sourced from Australia subject to limitations under an applicable double tax treaty.

b. What tax rates apply to companies?

The tax rates that apply to companies in 2021/22 and onwards are:

- 25% for companies that are base rate entities, generally being companies that have an aggregated annual turnover of less than AU\$50 million and derive 80% or less of their assessable income in the form of passive income; and
- 30% for all other companies.

c. What are the proposed tax rate changes for companies?

The current [tax rate](#) of 25% will stay the same for future years. There is currently no plan to reduce the 30% rate for other companies.

d. When will I need to file my taxes?

Companies normally file an annual tax return for the Australian financial year of 1 July to 30 June however companies can request a different year end so that it aligns with your parent entity. Final taxes payable generally needs to be paid 6 months after the end of the financial year, depending on income and tax payable.

When you file your tax return you will use your Tax File Number (TFN), which is usually obtained when establishing your business. You will also need to use your Australian Business Number (ABN) to avoid a withholding of 47% on payments from other businesses (See below for more information on withholdings).

Setting up a business in Australia

Australia's taxation laws

e. Are my assets taxable?

Resident companies are subject to Australia's [Capital Gains Tax \(CGT\)](#) on worldwide capital gains—generally the difference between the cost of their assets and the amount they receive when disposing of these assets.

Foreign residents are only subject to CGT on certain kinds of property known as '[Taxable Australian Real Property](#)'. This includes direct and indirect interests in Australian real property and assets used to carry out business through a branch.

You may be eligible for an exemption from, or a reduction of CGT, if the asset is an active business asset and you are a CGT small business entity with annual aggregated turnover of less than AU\$2 million or satisfy a maximum net asset value test of less than AU\$6 million.

f. How do I withhold tax from my employees?

If your company has employees, you must register for and deduct [Pay As You Go \(PAYG\) withholding](#) from their wages to remit to the ATO. These are usually monthly payments but small businesses may only need to remit quarterly, while larger entities may need to remit on a more frequent basis.

g. Are there any other withholding taxes?

Companies that pay interest, dividends or royalties to a foreign resident must deduct withholding tax from these payments. The general rates are:

- Interest: 10%;
- Royalties: 30%; and
- Unfranked dividends (paid from income not subject to Australian company tax): 30%.

These rates can be reduced if a Double Tax Agreement applies between countries subject to the transactions.

You cannot claim a tax deduction for royalties or interest paid to a foreign entity until you deduct and pay the required withholding tax.

Payments made to foreign residents for construction and related activities are subject to a 5% withholding (unless a variation certificate is obtained).

A 12.5% non-final withholding tax will apply on the sale of certain assets (such as Australian real property) valued over AU\$750,000 by foreign residents. This rate can be varied down in certain circumstances. This withholding will also apply where the seller is a tax resident of Australia but does not obtain the required clearance certificate.

h. How do I manage my tax losses?

Revenue losses and capital losses can be carried forward indefinitely. However, your company can only claim a deduction for a prior year tax loss if it satisfies either:

- The continuity of ownership test; or
- The business continuity test.

Key takeaways

- Directors may be liable for unpaid PAYG withholding in certain circumstances.
- Companies must deduct PAYG withholding at 47% if a contractor does not provide an Australian Business Number (ABN) (unless they can prove they have no Australian tax liability).

Setting up a business in Australia

Australia's taxation laws

a. Thin capitalisation rules

Australia has specific rules about thinly capitalised companies (those with assets funded by high debt levels with little equity). These rules may limit your company's interest deductions, depending on the amount of debt being used to finance your Australian operations. These rules will only apply where debt deductions for the year exceed \$2 million. For more information about these rules, see the [ATO website](#).

b. Transfer pricing rules

Australia's transfer pricing rules for cross-border transactions state that:

- Transactions between non-arm's length parties must reflect market value terms as if they were entered into between arm's length parties; and
- Taxpayers must document these arm's length prices to avoid penalties. Simplified documentation is available for some transactions.

For more information about these rules, see the [ATO website](#).

c. Diverted profits tax

Significant Global Entities operating in Australia may also be subject to the diverted profits tax. This tax applies to entities who obtain a tax benefit in Australia by transferring profits to offshore associates using arrangements with the principal purpose of avoiding Australian tax. The diverted profits tax will impose a tax at the rate of 40% plus interest to the tax benefits obtained under the scheme.

d. International dealings

Companies must report their international related party dealings in an [international dealings schedule](#) with their annual tax return if:

- Total dealings exceed AU\$2 million;
- It has dealings of more than AU\$2 million with its global group;
- It holds direct or indirect interests in a foreign entity;

- if it is affected by thin capitalisation provisions;
- it has overseas branch operations; or
- is impacted by the hybrid mismatch rules.

In addition significant Global Entities (being multinational companies with worldwide group turnover of A\$1 billion or more) will be subject to the following measures:

- It must provide Country-by-Country (CBC) reporting within 12 months of the end of their financial year;
- Lodge General Purpose Financial Statements with the ATO by the due date for lodgment of the annual tax return unless they already lodged such statements with ASIC; and
- It will be subject to significant penalties of up to \$555,000 for late lodgment or making false statements on a tax document.

e. Research and Development Tax Incentive

Australian resident companies conducting research and development (R&D) in Australia can apply for a [tax offset](#).

This tax offset is refundable for companies with aggregated turnover of less than AU\$20 million. For larger companies, the offset is non-refundable but can be carried forward for offset in future income years.

f. Goods and Services Tax

Australia has a [Goods and Services Tax \(GST\)](#). The supply of goods or services connected with Australia, including importations, is subject to 10% GST.

GST does not apply to:

- GST-free supplies, i.e. medical supplies, exports, and basic food; and
- Input-taxed supplies, including residential premises and financial supplies.

Setting up a business in Australia

Australia's taxation laws

g. When to register for and claim GST?

You must register for GST if you provide or expect to provide goods and services connected with Australia (taxable or GST free) that have a total value of AU\$75,000 or more in any 12 month period. You must charge 10% GST on all taxable supplies and remit this to the ATO.

If registered, you will usually be entitled to claim a refund of the GST (known as an input tax credit) included in the cost of items or services you purchase in carrying on your business. The input tax credit is claimed when you lodge your monthly or quarterly [Business Activity Statement \(BAS\)](#).

If you are regularly importing goods into Australia, you may choose to register for the [Deferred GST Scheme](#).

Deferred GST Scheme enables you to delay the GST that would otherwise be payable at the time of importation until the lodgment of your monthly BAS, when an input tax credit should be available to fully offset the cost.

To be eligible for the deferred GST scheme you must be registered to lodge your BAS and remit your GST monthly.



Setting up a business in Australia

Key tax questions for individuals

Your individual tax in Australia will be based on whether you are a resident, temporary resident or foreign resident for tax purposes.

a. How much tax will I pay?

If you are an Australian resident, you will pay tax on your worldwide income.

If you are a temporary resident (usually someone on a temporary visa not married to an Australian resident), you generally only need to pay tax on Australian-sourced income and foreign-sourced employment income or service.

Residents and temporary residents pay tax at the following rates for 2023/24:

Taxable income	Tax on this income*
\$0 - \$18,200	Nil
\$18,201 - \$45,000	19c for each \$1 over \$18,200
\$45,001 - \$120,000	\$5,092 plus 32.5c for each \$1 over \$45,000
\$120,001 - \$180,000	\$29,467 plus 37c for each \$1 over \$120,000
\$180,001 and over	\$51,667 plus 45c for each \$1 over \$180,000

*The above rates do not include the [Medicare Levy](#) of 2%. The amount you are required to pay for the Medicare Levy is used to help fund the costs of Australia's public health system known as Medicare and is collected by the ATO in addition to the tax paid on your taxable income.

Note: High income earning residents that do not have the required level of private hospital health insurance may also be subject to the Medicare Levy Surcharge (MLS) of up to 1.5%.

Temporary residents that are not entitled to receive Medicare benefits can apply for an exemption from the Medicare Levy and MLS.

Foreign residents pay tax on their Australian sourced income, subject to any relief under a double tax agreement at the following rates for 2023/24:

Taxable income	Tax on this income
\$0 - \$120,000	32.5c for each \$1
\$120,001 - \$180,000	\$39,000 plus 37c for each \$1 over \$120,000
\$180,001 and over	\$61,200 plus 45c for each \$1 over \$180,000

Foreign residents qualify for a Medicare Levy exemption which means that they are not required to pay the 2% Medicare Levy mentioned above.

Setting up a business in Australia

Key tax questions for individuals

b. When will I need to file my taxes?

Individuals file an annual tax return for the Australian financial year: 1 July to 30 June and the due date for this is 31 October. This due date can be extended if you file through a registered tax agent such as Mazars.

To file a tax return, you will need to use your TFN. You will also need this number to avoid PAYG withholding being deducted at the highest rate on salary and investment income, (see below for more information).

c. How do I manage PAYG withholding?

Australian employers must deduct PAYG withholding from salary and wages, and other payments like bonuses based on an annual income tax estimate. You can apply to the ATO to vary the rate of withholding where you expect to have a lower tax liability. If you do not provide your employer with a TFN, your PAYG withholding will be deducted at 47%.

You should also provide your TFN to any entity paying investment income to prevent a similarly high withholding, like a bank. You can claim your PAYG withholding as a tax credit in your annual tax return.

d. Are my assets taxable?

Like companies, individuals are subject to Australia's [Capital Gains Tax \(CGT\)](#).

For residents who make a capital gain on an asset that has been held for at least 12 months, the capital gain may be reduced by up to 50% after first applying any capital losses. Foreign and temporary residents only need to pay capital gains tax on taxable Australian property and are not generally entitled to the 50% discount.

There are limited CGT exemptions available, including sale of a main residence or eligible shares in an Early Stage Innovation Company.

e. How do I manage my tax losses?

Revenue losses and capital losses can be carried forward indefinitely, but there is no option to carry back losses.

Capital losses can only be applied for offset against your current year and future year capital gains. Revenue losses may be used to offset both future assessable income or capital gains.

f. How do I manage my employee shares?

If you receive shares or options at a discount through employment or consulting, the discount will generally be taxed to you as ordinary income even if they are issued to an associate.

The timing will depend on the terms of the share scheme and your employment circumstances.

Note: you may be eligible for tax concessions where the employee share schemes involve shares or options received in start-up companies.

Setting up a business in Australia

Other relevant Australian taxes and charges

There are a number of other taxes and charges that apply when doing business in Australia which include:

Payroll tax

This is a [state based tax](#) payable if your payroll exceeds a specific threshold. Rates vary between nil and 6.85%, dependent on the state where wages are paid.

Transfer duty

For certain transactions such as the transfer of real property (including mining tenements), goodwill, motor vehicles, shares or units in a landholding entity. Stamp duty can vary based on states in which the location of the assets subject to the transaction occurs.

Superannuation Guarantee Charge (SGC)

A penalty tax on employers who do not provide the minimum required superannuation support of 11%

(Note: the payment of superannuation contributions is tax deductible for employers, while the payment of SGC is not. Directors can be personally liable for SGC in certain circumstances).

Fringe Benefits Tax (FBT)

A tax on benefits provided to employees including and not limited to; cars, car parking, medical insurance, social contributions, meal entertainment and loans.

Workers compensation

[Workers compensation](#) is a form of insurance payment to employees if they are injured at work or become sick due to their work. Workers compensation includes payments to employees to cover their:

- wages while they're not fit for work; and
- medical expenses and rehabilitation.

Employers in each state or territory have to take out workers compensation insurance to cover themselves and their employees.



Setting up a business in Australia

Managing employees in Australia

To establish a successful Australian business, an understanding of local employment and human resources (HR) regulations is crucial. In Australia, this legislation exists at federal and state levels.

Understanding the Fair Work Act

The Fair Work Act, 2009 (FWA) is Federal Legislation which sets out [employment requirements](#) for all but a few groups of excluded employees in Australia, such as those employed in state or territory public service. The Act sets out a number of minimum entitlements including but not limited to:

- **Maximum weekly ordinary hours:** 38 hours per week plus reasonable additional hours for full time employees.
- **Annual leave:** Four weeks paid leave per year of service. Leave which is not taken in the year in which it is accrued carries over to the following and subsequent years until taken. Annual leave not taken is paid out on cessation of employment.
- **Personal carer's leave:** 10 days paid personal carers leave per year of service. Unused paid personal leave carries over to the following and subsequent years until taken. Personal leave is not paid out on cessation of employment.
- **Long service leave:** This type of leave differs slightly in each state or territory in which an employee is working. However, the amount of leave is generally calculated on the basis of 8.667 weeks of long service leave after 10 years of continuous service. Some states or territories provide pro-rata access before 10 years of continuous service.
- **Paid family and domestic leave:** All employees (including part-time and casual employees) are entitled to 10 days paid family and domestic violence leave each year. Unused leave does not carry over to subsequent years and is not paid out on cessation of employment.
- **Public holidays:** employees are generally entitled not to work on a public holiday however, they are still paid for the day. Many, but not all employees, who work on a public holiday are paid penalty rates for hours worked.
- **Notice of termination:** Under the Fair Work Act, 2009 employees must be given up to 5 weeks notice subject to length of service and age.
- **Redundancy pay:** Employees who work for employers with more than 15 employees are entitled to redundancy pay if their job is no longer required to be undertaken by anyone. Redundancy pay is between 4 weeks and 16 weeks subject to length of service. Employees who work for a small business (less than 15 employees) are usually not entitled to the payment of redundancy pay, however there are some limited exceptions to this.
- **Fair Work Information Statement:** Must be provided by employers to all new employees.
- **Parental leave:** Up to 12 months unpaid leave per employee plus the right to request an additional 12 months unpaid leave. The Australian Government also provides a Paid Parental Leave entitlement of up to 20 weeks which is paid at the minimum wage. Eligibility is subject to criteria determined by the Government.
- **Flexible working arrangements:** Certain employees are entitled to request flexible working arrangements.
- **Community service leave:** Unpaid leave for voluntary emergency activities and leave for jury service (paid for up to 10 days).

Note: In addition to the above, employers should be aware that:

- **Employees have freedom of association and may choose to join or not join a union; and**
- **Employees are to receive employer paid superannuation contributions on all ordinary time earnings. In 2023/24 this is 11%, and will increase by 0.5% each 1 July until it reaches 12%.**

Setting up a business in Australia

Managing employees in Australia

Key Fair Work Act questions

To apply the Fair Work Act to your business, start by asking these questions:

- Which Awards or Agreements apply to my employees?
- How much do I need to pay my employees?
- What data and information do I need to record?

Human resources matters

Meeting the requirements of Australia's HR regulation requires time and skill, but this is also the first step in demonstrating your care for employees. The reward for this effort, as well as avoiding fines for non-compliance, comes in improved morale, greater employee engagement and greater productivity.

Australia's anti-discrimination laws

Interpreting how Australia's state/territory legislation works with its federal legislation can be complex.

In the case of Australia's discrimination laws, federal and state/territory legislation generally overlap and employers must comply with both. However, these laws can apply in different ways.

There are gaps in the protection offered in different states/territories and at the federal level, and an exemption under one law does not mean you will be exempt under the other.

Modern Awards and Agreements

Australia has a unique employment regulation which is based on Modern Awards. Modern Awards are employment instruments of the Fair Work Commission which establish minimum standards of employment across a range of employment arrangements, including but not limited to minimum pay, allowances, hours of work, rest breaks, overtime, penalties etc.

If an employee in Australia works in a role which is covered by a Modern Award the employer must comply with the minimum conditions in that Modern Award. Coverage by a Modern Award is based on either industry or occupation and the vast majority of non-managerial roles are covered by a Modern Award (some managerial positions are also covered in some industries). Employers operating in Australia must ensure that, if a Modern Award applies, that they comply with the terms of that Modern Award or they may be subject to significant financial penalties and claims for payment from their employees and other relevant authorities.

Enterprise Bargaining Agreements are Agreements negotiated between an employer and their workforce. Such Agreements are subject to regulation by the Fair Work Commission and will only be approved if a majority of employees who vote in a ballot, vote in favour of the Agreement and if it meets a Better Off Overall Test against any applicable Award(s). Employers purchasing existing entities in Australia should ensure that they are aware if one or more Enterprise Bargaining Agreements apply to the entities as these Agreements will generally transfer to a new employer. The transfer of business arrangements in Australia as they apply to employees are complex and if not managed carefully can create significant risk to new employers.

Setting up a business in Australia

Government incentives

Australia attracts the biggest names in the global corporate sphere. However, the country also has an impressive small to medium enterprise (SME) sector, which is seen as one of the key drivers of Australian business.

Recognising this, the Australian government supports SMEs through incentives in areas such as:

- **Innovation:** [The R&D Tax Incentive](#) can yield a cash rebate of up to 43.5% on eligible R&D expenses.
- **Expansion into new markets:** The [Export Market Development Grant](#) can yield a rebate of up to 50% on foreign marketing expenses.
- **International collaboration:** [The Business Talent Visa](#) and [Business Innovation and Investment Visa](#) provide permanent and provisional visas for foreign nationals establishing businesses in Australia.

Is my business supported?

While the Australian government shows particular appreciation for the technology sector, this is not the only business sector with government support. There are also government incentives for businesses in the following sectors which are updated regularly:

- agriculture
- building, construction and engineering
- education
- energy and renewables
- food and beverage
- health and medical industries
- manufacturing
- media and entertainment
- mining
- tourism



Setting up a business in Australia

Immigration and visa overview

All foreign nationals require a visa to enter and work in Australia. Visas are processed by the Australian Government's Department of Home Affairs. Navigating visa options can be complex and requirements and processing times differ depending on circumstances.

We have outlined the most common business visas below:

Temporary skills shortage (TSS) visas

The [Temporary Skills Shortage \(TSS\) Visas](#) are designed to allow employers to recruit skilled staff from overseas, when no suitable local applicant can be found. The main elements of the Temporary Skill Shortage (TSS) visa system may be summarised as follows:

- Overseas nationals seeking to work in Australia require sponsorship by their Australian (or overseas) employer and are nominated to work in a particular occupation by the Department for the duration of their visa;
- The employer must first demonstrate that they have tested the local labour marketing through recent advertising and recruitment efforts;
- Occupations are selected from one of two lists – the Short Term Skilled Occupations List (STSOL) and the Medium to Long Term Strategic Skills List (MLTSSL), both of which are updated on a six monthly basis;
- Overseas nationals whose occupations are on the STSOL can be granted visas for up to 2 years (and up to 4 years if an international Trade Obligation applies) while those whose occupations are on the MLTSSL, can be granted visas for up to 4 years and may have an option to apply for permanent residence if nominated by their employer;
- Certain minimum salary requirements must be met;
- Family members can be included and have full work rights and study rights in Australia; and
- Overall, documentary requirements for a visa application have increased and may include English language tests, skills assessments, health and character checks.



Setting up a business in Australia

Immigration and visa overview

Skilling Australians Fund (SAF) levy

As part of the nomination process, sponsoring businesses will be required to contribute to the 'Skilling Australians Fund', based on the number of years of visa that an employee requires. This obligation is for both temporary skills shortage and permanent employer sponsored visa. Contributions vary depending on the annual revenue of the sponsor; if over \$10 million, \$1,800 per sponsored employee per year and a one-off contribution of \$5,000 per permanent residence application, while if less than \$10 million, \$1,200 per sponsored employee per year and a one-off contribution of \$3,000 per permanent residence application. These amounts are subject to change.

The SAF levy must be paid by the employer and cannot be passed on to visa applicants

Temporary work (short stay specialist) visa

Overseas nationals who are seeking to enter Australia to undertake work that is short term, may be eligible to apply for a [Temporary Work \(Short Stay Activity\) Subclass 400 visa](#). This visa is suitable only for highly skilled or technical, non-ongoing work. Currently the key elements are as follows:

- An Australian organisation must provide a written invitation specifying the purpose of the visit;
- A visa may be granted valid from 6 weeks to 3 months (up to 6 months in limited circumstances); and
- There is no minimum salary requirement however the employer must adhere to Australian minimum standards. In many cases, visa holders would be paid in their own country and currency.

Looking for advice?

Australia If seeking advice on immigration and visa options for Australia, it is important to ensure that you are dealing with a Registered Migration Agent, who is qualified and licensed to give migration advice. Lawyers must also be Registered Migration Agents in order to provide migration advice.

Information is available at the Department of Home Affairs [website](#). Alternatively, speak to a Mazars advisor who can refer you to a Registered Migration Agent.

Setting up a business in Australia

Sustainability laws and recommendations

Entities doing business in Australia may be required to follow laws and recommendations in relation to sustainability reporting. Below are some laws and recommendations that you need to be aware of when setting up a business in Australia.

Modern slavery statement

Businesses in Australia must prepare and submit an annual modern slavery statement as per requirement of the [Modern Slavery Act 2018](#), if they fall into the below criteria:

- Entities with more than 100 million annual consolidated revenue; and
- Is either an Australian entity or a foreign entity carrying on business in Australia at any time during the reporting period.

Recommendation to disclose environmental and social risks for listed entities

The Corporate Governance Principles and Recommendation 4th Edition, Recommendation 7.4 mentions that a listed entity should disclose whether it has any material exposure to environmental (including climate risks) or social risks. If it does, the entities should explain how those risks are managed or will be managed. Specifically, in regard to climate risks, entities are encouraged to consider the recommendations set out in the Task Force on Climate-related Financial Disclosures (TCFD) framework and report accordingly if their exposure to climate risk is material.

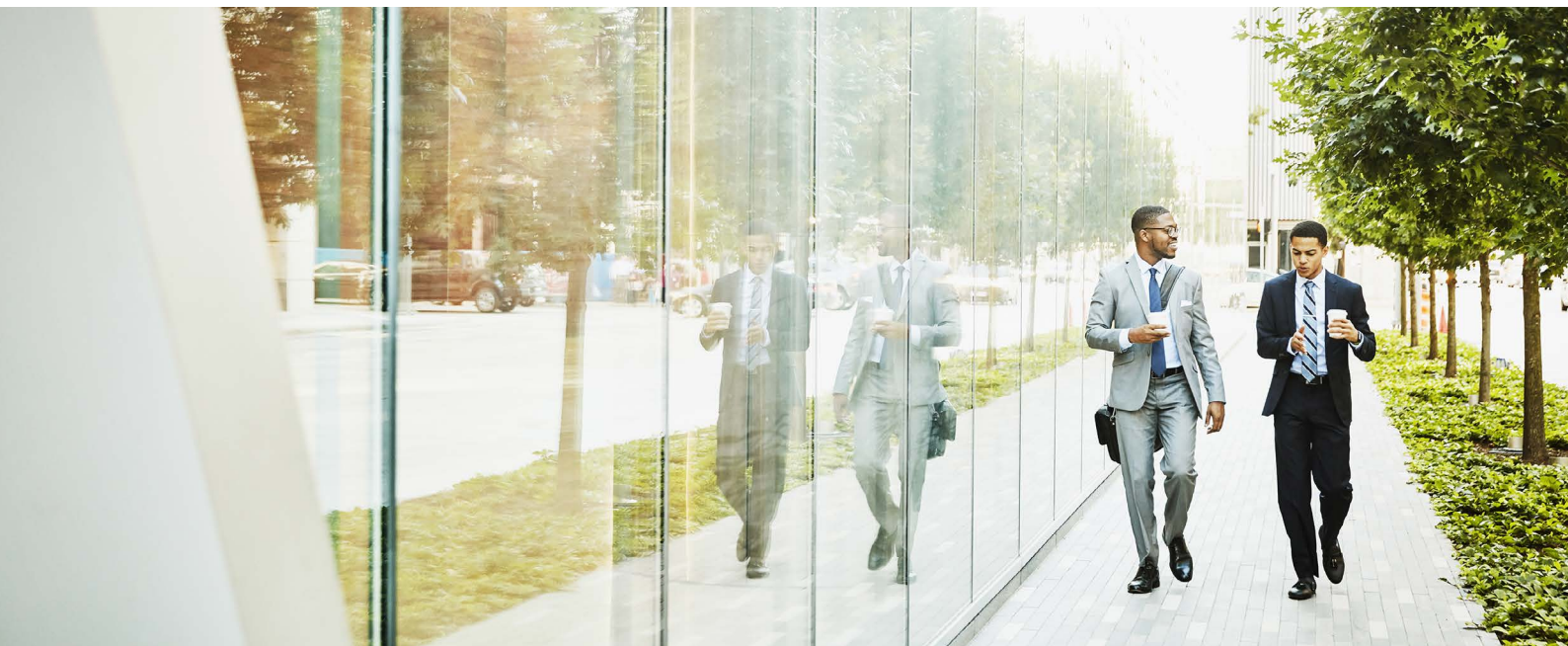
Climate-related disclosures

The Australian Treasury is currently considering making climate-related disclosures mandatory for companies meeting two of the three following criteria:

- Consolidated revenue > 50 million;
- Consolidated total assets > 25 million; or
- Number of employees > 100.

If introduced, climate-related disclosures requirements will follow closely IFRS S2.

Read our [article](#) to find out more about the considerations for climate-related disclosures and how they may impact Australian businesses.





Your next steps

How Mazars can support you

The life cycle of any business involves challenges and opportunities. When you decide to invest in Australia, Mazars is ready to support you at every stage.

As an international audit, tax and advisory firm committed to helping our clients confidently build and grow their businesses. We always seek to understand our clients and their environments, adjusting our recommendations and support accordingly.

We combine our skills and expertise with both a global perspective and local knowledge to provide you with a broad array of professional services. We empower our people to help businesses make the most of opportunities, operate with conviction, and give confidence to stakeholders.

We take pride in our technical expertise and the quality of our work. We have the skills and the scale to serve clients of all sizes, across all sectors, while remaining agile, personal and distinct in our approach. When working with us, you can expect the utmost quality within ethical and legal frameworks. Our clients' trust in our judgement is the reason we exist. And we want to continually earn that trust. We approach every piece of work with independence, accountability and a social conscience, and we take responsibility for shaping a sustainable industry as well as helping build the economic foundations of a fair and prosperous world.

Your next steps

Key services

Outsourcing and virtual CFO

Outsourcing the finance function enables corporations to reduce the risk out of operating in Australia by enabling the business to concentrate on its core activities, with the knowledge their finance function is fully compliant and generating timely and meaningful information that can be relied upon.

Business advisory

Whether this be determining the best structure for tax and legal purposes, to developing strategies to maximise profits and value all the way through to exit strategies. A tailored service will be developed by gaining an in-depth understanding of the needs and requirements of the business.

Tax advisory

Assistance with local and international taxation issues, including individual, corporate and trust compliance, restructuring, tax consolidations, transfer pricing, global mobility, employee share schemes and indirect tax.

Audit and assurance

Audit and assurance services including audit, reporting, corporate governance and risk management, for clients across a wide range of industries and sectors.

Financial advisory

Assistance with business valuations, due diligence, capital raising, initial public offers, as well as asset sales and acquisitions. We can also assist in corporate and personal finance applications.

Superannuation

Mazars provide specialist insights into the tax advantages of superannuation and act as a mentor to SMSF trustees, guiding them safely through the often confusing superannuation legislative framework. Our services include SMSF establishment, annual SMSF administration and SMSF audit and compliance requirements.

Mazars global infrastructure finance

For project developers, investors and financiers in the infrastructure industry, Mazars Global Infrastructure Finance is the globally integrated world class team delivering a complete industry service suite ranging from financial model development to advisory and valuations, including model audit, tax, accounting and a specialised training academy.

HR and IR advisory

Delivering strategic and operational human resources and industrial relations services on all aspects of employment. Our team provide clients with assistance from the recruitment process through the entire life cycle of employment. As industrial relations experts we can represent clients in employment tribunals, if necessary. Our services include drafting of employment contracts, negotiating agreements, advocacy, performance management, leadership coaching, tailored training packages as well as any other employment related client needs.

Sustainability

Solutions from supply chain awareness, carbon mapping, climate change risk assessments reporting according to international sustainability standards (e.g., IFRS S1/S2) or diversity promotion. Mazars offer a wide array of sustainability services to support business goals including Australian agricultural landholder initiatives, reporting & assurance, strategy & due diligence, implementation & transformation, sustainable finance.

No matter which industry you are in or what size your business is, our team is ready with global experience and local expertise.

Get in touch with [mazars.com.au](https://www.mazars.com.au) today.

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Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in nearly 100 countries and territories around the world, we draw on the expertise of more than 47,000 professionals – 30,000+ in Mazars' integrated partnership and 17,000+ via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

*Where permitted under applicable country laws

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