



Doing Business
in **Australia**

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Introduction

About Vistra

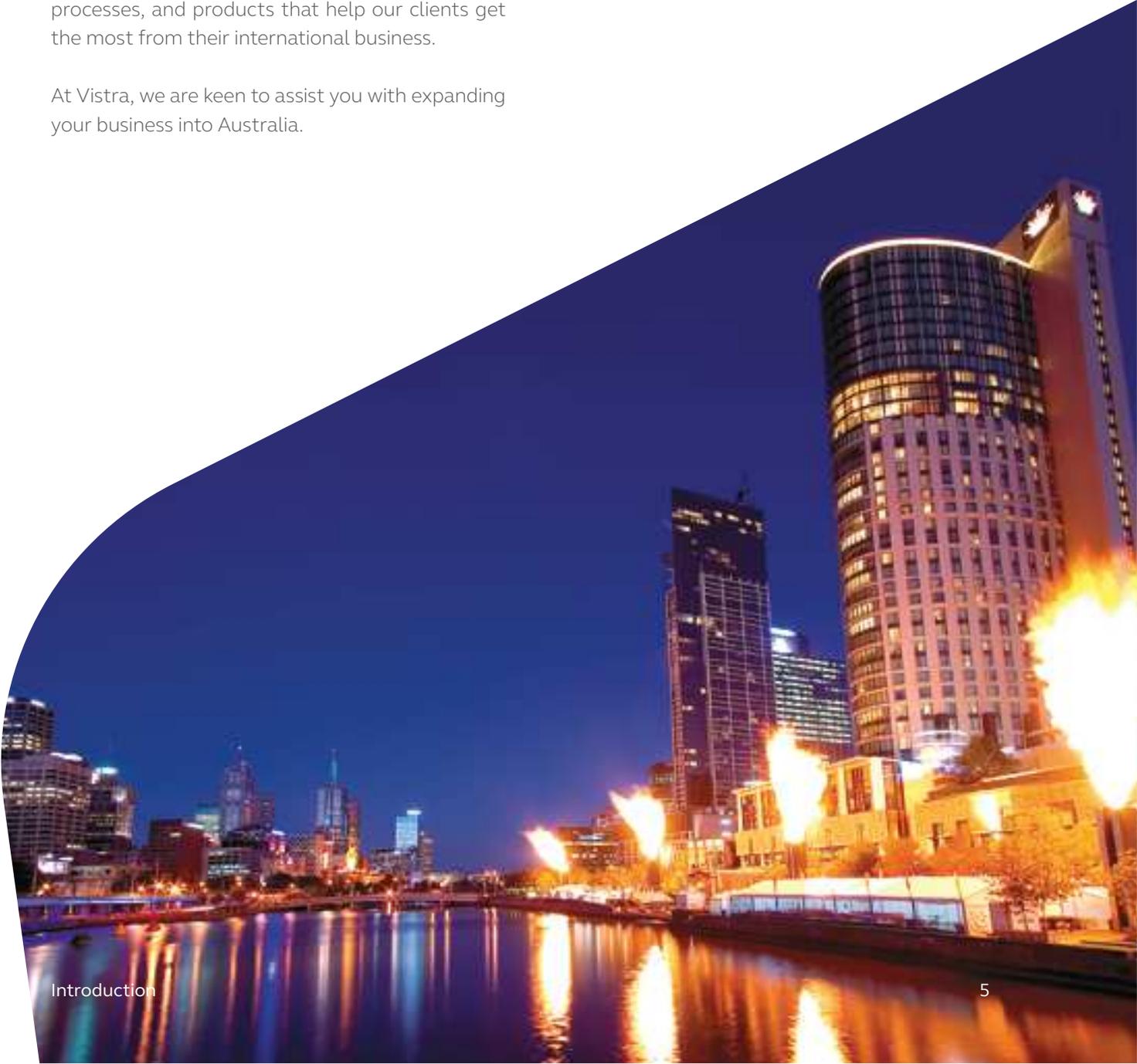
Ranked among the top three corporate service providers globally, Vistra is a versatile group of professionals, providing a uniquely broad range of services and solutions. Our capabilities span across international incorporations to trust, fiduciary, private client services, and fund administration.

We have a strong presence internationally, with offices throughout the Americas, Europe, Middle East, and Asia Pacific.

As a leading global player with expert industry knowledge and location specialists, Vistra has a deep understanding of the professional worlds of our clients and a proven track record of offering highly versatile solutions, providing the people, processes, and products that help our clients get the most from their international business.

At Vistra, we are keen to assist you with expanding your business into Australia.

Australia is one of the most prosperous Asia Pacific nations and has enjoyed more than two decades of economic growth. It has a very established and stable political and regulatory environment that is transparent and supportive of entrepreneurship. Australia is internationally competitive in services, technologies and high-value-added manufactured goods and is a large exporter of mining and agricultural products. With an effective employment code and skilled workforce, these factors make Australia one of the most attractive locations for foreign investment.





Overview of Australia

Why Do Business in Australia

Growth



Australia provides a safe, low-risk environment in which to do business.

Business



Australia is one of the safest places in the world to do business.

Industries



Australia is globally successful in five key industries: resources and energy, agribusiness, financial services, education and tourism.

Innovation



Australia supports world-class, globally significant research and development opportunities.

Location



Australia has strong economic and cultural ties with the fast-growing Asia-Pacific region.

Talent



Australia's labour force is among the most skilled and diverse in the world.



Business Environment in Australia

Legal Entities

Sole Trader

Establishment	Formed by a single natural person conducting business in his/her own name.
Representation/ownership	The individual is the sole owner who manages and controls the business.
Liability	No limited liability; the individual is legally responsible for all aspects of the business.
Maximum share capital	Not applicable

Partnership

Establishment	Formed by a group of two or more people/entities who carry on a business together or receive income jointly.
Representation/ownership	Each partner represents the business.
Liability	The partners are personally liable for the debts and obligations of the business.
Maximum share capital	Not applicable

Company

Establishment	Formed by one or more individuals or entities. This is a separate legal entity.
Representation/ownership	The company is managed by its directors and owned by its shareholders.
Liability	A company provides limited liability to its shareholders however its directors can be liable for their actions and, in certain circumstances, some debts of the company.
Maximum share capital	All companies must have at least one shareholder. Proprietary companies must have no more than 50 shareholders. There is no limit on the number of shareholders a public company can have.

Trust

Establishment	Formed by a formal trust deed whereby a trustee is appointed to hold and manage the trust property for the benefit of the beneficiaries.
Representation/ownership	The trustee has legal authority and control over the trust assets and is responsible for the operation of the trust.
Liability	The trustee is liable for the debts of the trust but will discharge the liabilities using trust funds as per the rights and powers established by the trust deed. The trustee is indemnified out of the trust property for liabilities incurred in the proper exercise of the trustee's powers.
Maximum share capital	Not applicable

Corporate Structures

Below is a summary of corporate structures commonly used by overseas companies setting up businesses in Australia.

	Australian Incorporated Subsidiary	Branch Representative Office
Is the structure a discrete entity? (An Australian resident is required as a director and secretary if needed)	Yes	No
Does it require a tax file number	Yes	Yes
Taxation requirements	Considered an Australian resident for tax purposes. As a consequence, subject to limited exemptions, the company will be subject to tax on its worldwide income.	Pay tax on income derived in the Australian branch.
Tax rate	27.5% to 30% rate.	27.5% to 30% rate..
How can profits be repatriated?	Dividends can be paid if there are surpluses in retained earnings and subject to specific rules. Dividend withholding taxes may apply. We can advise on the technical procedures to be followed.	It can repatriate profits without the imposition of Australian withholding tax. The recipient of those profits – depending upon its residence – might be entitled to a foreign tax credit / offset for Australian tax.
What is the fiscal year? Can it be changed?	The Australian fiscal year ends on 30th June. Companies may apply to change their fiscal year.	
Is there local Sales Tax?	Goods & Service tax (GST) is levied at 10%.	
What kind of insurance is needed upon incorporation?	The employer is required to provide workers compensation insurance cover to protect employees. Public liability insurance is required if the company leases premises / office space.	
Are employees needed, to make the entity operational?	This is not a requirement. However, it may draw unnecessary attention from the tax authority.	
Is a physical office needed, to make the entity operational?	Employees can work from home so no physical office presence is needed. A registered office address is required. We can provide this if required.	
Is a bank account needed, to make the entity operational?	In general, all transactions including payroll are done through bank transfers. In practice, it is advisable that a bank account is set up for the company to operate through. Client accounts maintained with service providers are unusual for subsidiaries.	

A third non-financial structure is a Representative Office (see below)

1. There is no legal definition of a representative office. Rather the practical distinction between a “branch” and a “representative office” is that the latter does not carry on business or derive any income.
2. In practice a “representative office” is normally limited to just marketing or liaison with its parent.
3. Representative offices of entities resident in a country with which Australia has a tax treaty are not generally subject to Australian tax (since they will not be deemed to be an Australian “permanent establishment”).

Taxation

Item / Structure	Subsidiary Company	Permanent Establishment	Non-Permanent Establishment
Tax rate	27.5% – 30%	27.5% – 30%	0%
Transfer pricing applies	Yes	Yes	No
Disclosures on tax return	No issue	Complex	Not applicable
Dividend withholding tax	Yes	Not applicable	Not applicable
Royalty withholding tax	Yes	Yes	Yes
Interest withholding tax	Yes	Yes	Yes
Capital Gains Tax (CGT)	Yes	Only on taxable Australian property	Only on taxable Australian property
GST	Yes	Yes	Yes
Customs duty	Yes	Yes	Yes
Dealing with Australian suppliers	Easy	Harder	Hardest
Risk / liability	Australian subsidiary	Foreign parent	Foreign parent
Closure	Harder	Easy	No issue
Australian Securities and Investments Commission (ASIC) disclosure / reporting	Yes, but exemptions often apply	Yes	Not applicable

Employment and Labour Law

Entitlement	Description
Maximum number of hours	Employees must not be required to work more than 38 hours per week plus reasonable additional hours.
Annual leave entitlement	Permanent employees are entitled to four weeks paid annual leave (pro-rata for part-time employees) per year of service and five weeks per year of service for shift workers. (Note: casual employees are generally not entitled to annual leave)
Parental leave	Eligible employees are entitled to 12 months unpaid parental leave with an additional entitlement to a further 12 months unpaid parental leave which may only be refused by employers on reasonable business grounds. (Note: casual employees are generally not entitled to parental leave)
Long service leave	Employees are entitled to additional paid leave after tenured service. This varies across states and territories.
Public holidays	Employees are not required by law to work on public holidays. Public holidays are state and national holidays and usually amount to approximately 10 days per year.
Notice and redundancy	Employees are entitled to notice and redundancy in line with the Fair Work Act.
Flexible work arrangements	Employees in some circumstances request for working arrangements to assist in the provision of care for an immediate family member (young child or parent) or themselves. Employers must take these seriously and assess on undertaking reasonable business practices.
Superannuation	Employers must pay superannuation at a minimum rate of approximately 10%.
Discrimination and work place safety	Discrimination and work place safety in Australia is taken very seriously. Heavy fines are imposed on offending individuals and companies.



Your Partner in Australia

How Vistra Can Help Grow Your Business in Australia

Australia is ethnically and culturally diverse with a population of over 24 million, with over 5 million people living in the largest and most cosmopolitan city, Sydney.

Ranked among the most liveable countries in the world, Australia has an advanced market economy with strengths in finance, education, and tourism. Australia is increasingly being recognised as the financial services hub in the Asia Pacific, the world's fastest growing region. Australia also has strong primary industries in mining and agriculture which account for most of Australia's exports.

Our services

Vistra Australia's office is located on the east coast of Australia in the harbour city of Sydney. We offer a complete range of services, with a dedicated team of professionals focused on tailor-made solutions in company formation and management, corporate secretarial, taxation and accounting, HR and payroll, superannuation, and consultancy services.

Company Formation and Management

- Incorporation and registration of companies
- Local directorships monthly management reporting

Corporate Secretarial Services

- Company secretarial work
- Preparation of director and shareholder minutes
- Deregistration and members' voluntary liquidation

Taxation & Accounting Services

- Compliance services
- Management accounting services including monthly / quarterly reviews
- Tax return filing including income tax, GST, FBT, capital gains tax, land and payroll tax
- Bookkeeping

Human Resources & Payroll Services

- Payroll administration
- Review of employment contracts
- Employee share schemes
- Termination and redundancies

Superannuation

- Annual administration / compliance and taxation services
- Set up of self-managed superannuation funds (SMSFs)
- Investment strategies
- Pensions and commutations
- Borrowing to acquire investments

Consultancy Services

- Structuring advice
- Business valuations
- Buying and selling a business
- Choice of accounting software



Contacts

International Expansion Services

Vivien Tang
Managing Director,
Vistra Australia

T: +61 2 9956 7500

E: vivien.tang@vistra.com



