



Starting a home business

A quick reference guide to some key requirements for starting and running a home business.

What is a home business?

A home business can be:

1. **A place of business** – work is conducted mainly at home and/or is an online business
2. **The base for a business** – work may also be carried out at a client's premises
3. **The base for an online business**

Setting up your home business

What you need to do before you start operating:

- ✓ **Choose a business structure** – the Australian Government has a handy tool to help you determine the best structure. Go to: register.business.gov.au/helpmedecide
- ✓ **Register your business**
 - Australian Business Number (ABN)
 - Business name
 - GST (if your turnover will be \$75,000 or more)
- ✓ **Check licensing, permits and other requirements** – find out what you need at: ablis.business.gov.au

Understanding development approvals

Exempt development

As a general rule, you can run a home business without local council approval (“exempt development”) provided your operations won’t impact the amenity of neighbours.

You’ll also need to comply with the relevant standards in the State Environmental Planning Policy (Exempt and Complying Development Codes).

To comply with the Code as an exempt development, your business must not:

- ✓ **Employ more than two people** (other than those living in the residence)
- ✓ Involve a **change of building use** (more than 10% of the floor area for a different use)
- ✓ Exceed the **maximum floor area** requirements set out in clause 5.4 of Council’s local environmental plan
- ✓ **Interfere with neighbours’** amenity (like cooking smells, fumes, smoke, vapour, dust, soot, steam, ash, noise, vibration, waste water, waste products, grit, oil or traffic generation)

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FOR MORE DETAILED INFORMATION AND LINKS PLEASE GO TO:

smallbusiness.nsw.gov.au/home-business



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- ✓ **Expose an unsightly matter** to view from any adjacent premises or any public place
- ✓ **Include signage** other than a business identification sign
- ✓ **Offer goods for sale** not produced in your home business
- ✓ Include **bed and breakfast accommodation, home occupation (sex services) or sex services premises**
- ✓ Involve the **manufacture of food products**
- ✓ Involve **skin penetration procedures**

Complying development

A complying development is a simple development that can be determined through a fast-track assessment by a Council or private certifier.

This fast-track pathway can be used to seek approval for a home business involving:

- The manufacture of food
- Bed and breakfast accommodation

More information about home businesses as exempt and complying developments is available at: planningportal.nsw.gov.au/development-assessment-and-consent

Development application

If your home business doesn't meet the criteria of an exempt or complying development, check with your local Council to find out if you need to lodge a development application.

Development approval is required if your business:

- Operates as a **family day care** facility
- Provides **swimming lessons** in a home pool

(Please note, these are covered by different legislation.)

Other things to consider:

- ▶ **Operating from a rental property:** you may need to obtain permission from the owner, body corporate or landlord before you can start operating.
- ▶ **Tax requirements:** check with the Australian Tax Office or your accountant to understand your specific business tax requirements.
- ▶ **Employer obligations:** if you have employees, you must meet certain obligations under federal and state laws including payroll, tax, contracts, superannuation and work health and safety.
- ▶ **Insurance:** consider the compulsory and additional insurances you may need, as your home insurance doesn't usually cover business equipment and activities.
- ▶ **Consumer guarantees:** make sure you are aware of consumer rights and your obligations under Australian Consumer Law if something were to go wrong with the goods or services you sell.
- ▶ **Intellectual property:** consider protecting and registering your patents, trademarks and designs.
- ▶ **Visas and residency:** if you're living in Australia on a visa there may be conditions that could affect your ability to start and run a business.
- ▶ **Emergency management:** things can and do go wrong – the NSW Government's Get Ready Business Toolkit can help you be prepared for emergencies or disruptions. Go to: industry.nsw.gov.au/business-and-industry-in-nsw/assistance-and-support/get-ready-business

Disclaimer: this document is not legal advice and is for guidance purposes only.

For more information:

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