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Doing Business in Australia

**A Guide for International Lawyers
and their Clients**

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Purpose of this Guide

Australia is a stable and attractive place to do business. With strong government, financial institutions, a transparent legal system, and a diverse economy, it offers opportunities across a wide range of industries.



This guide has been designed to:

- Provide a clear overview of the systems that shape business in Australia
- Highlight key issues for clients considering entry into the Australian market
- Serve as a practical starting point for discussions and planning with your team and your clients

It is not a substitute for tailored advice, but a concise resource to help you understand the opportunities, challenges, and pathways for international businesses looking to grow in Australia.

About Australia

Australia combines economic strength, legal stability, and global connectivity, offering one of the most secure and dynamic environments for international business, investment, and long-term growth.



Economy

- The world's **14th largest economy**¹, ranked among the world's most resilient and open economies
- Key sectors: resources, financial and professional services, technology, health, education, and renewable energy
- A strategic Asia–Pacific location connecting businesses to regional and global markets

Government and Legal System

- **A federal democracy** with laws at both Commonwealth and state levels
- A legal system based on **English common law**, valued for its independence and predictability
- Independent regulators oversee areas such as corporate conduct, consumer law, competition, and workplace relations

¹ International Monetary Fund, World Economic Outlook Database, October 2025: Australia ranked as the world's 14th largest economy by nominal GDP. Available at: <https://www.imf.org/en/Publications/WEO>

About Australia



International Relations

- Extensive **Free Trade Agreements (FTAs)** with major economies including China, Japan, South Korea, the US, and ASEAN nations
- Active member of the WTO, G20, and APEC, supporting open trade and international standards
- Welcomes foreign investment, subject to review in sensitive sectors such as infrastructure, defence, energy, and land

Fast Facts

- Population: ~27 million (2025 est.)
- Capital: Canberra; key business centres include Sydney, Melbourne, and Brisbane
- Currency: Australian Dollar (AUD)
- Time zones: GMT +8 to +10 (AEDT +11 in summer)
- Language: English is the official language of government, business, and law

Business in Australia

Australia offers a transparent and well-regulated environment for establishing and running a business. Foreign investors and companies will find clear rules, but also a system that encourages growth and innovation.



Business Structures

The main structures available are:

- **Sole trader** – simple, low-cost, but with personal liability
- **Partnership** – shared control and risk among two or more individuals/entities, with joint and several liability
- **Company** – a separate legal entity, providing limited liability and tax advantages; the most common structure for medium to large enterprises
- **Trusts** – often used for asset protection or tax planning, though complex and requiring professional management
- **Joint venture** – a strategic partnership where two or more businesses combine resources to complete a specific project, sharing both risks and rewards. This can be for a project with a defined duration or a more permanent business undertaking, and is typically governed by a formal agreement. The partners remain separate entities, unlike in a merger or acquisition

Choosing the right structure depends on business objectives, tax implications, and regulatory requirements.

Business in Australia

Regulation and Compliance

- Corporate entities must register with the **Australian Securities and Investments Commission (ASIC)** if operating within Australia
- All Australian companies must have a **resident director**
- All directors (whether Australian residents or not) must obtain a **Director Identification Number** before being appointed as a director of an Australian company
- An **Australian Business Number (ABN)** is often required for taxation and invoicing
- Certain industries, such as financial services, health, and telecommunications, are subject to additional licensing and regulation
- Foreign investment may require approval under the **Foreign Acquisitions and Takeovers Act**, particularly in sectors like land, energy, and defence



Commercial Environment

Australia is recognised for:

- **Ease of doing business** – ranked consistently high for transparency and regulatory quality
- **Strong intellectual property protections**, aligned with international treaties
- **Robust contract enforcement** through independent courts and arbitration options

Business in Australia



Practical Matters for Overseas Businesses

Banking – opening an Australian bank account is generally straightforward once an entity is registered, but most major banks require in-person identification for at least one director

Compliance – ongoing obligations include annual company reporting to ASIC, tax lodgements, and maintaining accurate company registers

Foreign investment snapshot – approval from the Foreign Investment Review Board (FIRB) is required in certain sectors such as residential land, defence, agriculture, and critical infrastructure

Fast Facts for Businesses

- Businesses benefit from a clear and consistent tax framework, with competitive rates compared to many OECD countries
- Goods and Services Tax (GST): **10%**, applicable to most goods and services
- Employment law: governed by the **Fair Work Act**, providing minimum standards for pay, leave, and workplace rights
- Competition and consumer protection: overseen by the **Australian Competition and Consumer Commission (ACCC)**



Find out more
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Employment in Australia

Australia's workplace relations framework is well-developed and highly regulated, aiming to balance employer needs with employee rights. For international businesses, understanding these obligations is key to managing risk and building a successful workforce.



Employment Framework

- The **Fair Work Act 2009** sets the foundation for employment law, including minimum wages, leave entitlements, and termination requirements.
- The **National Employment Standards (NES)** provide 11 minimum conditions for all employees, such as annual leave, parental leave, and notice of termination.
- Industry-specific **Modern Awards** outline minimum pay and conditions applying to particular sectors and occupations. These are enforceable legal instruments regulated by the **Fair Work Commission** and subject to regular review.
- Separate state and territory laws govern long service leave, work, health and safety and public holidays.

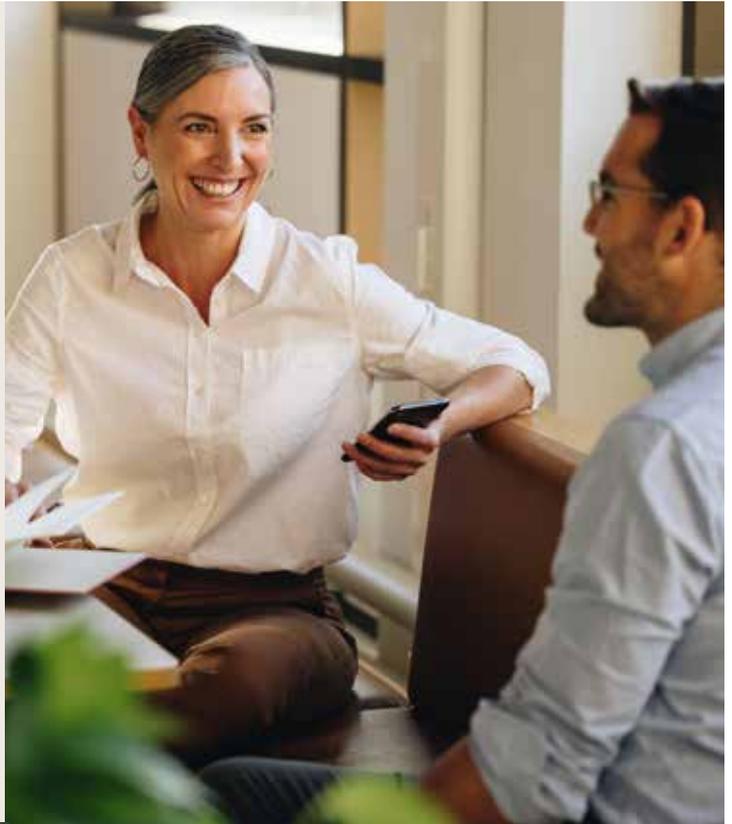
Hiring and Termination

- Employers must provide written employment contracts outlining key terms and provide new employees with a copy of the Fair Work Information Statement which summarises the NES.
- Most employees are covered by a Modern Award. Employers should determine which Award applies and ensure the employee is classified correctly during the employment. Classification errors often lead to underpayment of wages or other entitlements.
- Termination must comply with Fair Work requirements, including notice periods, payment of accrued entitlements, and protections against unfair dismissal.
- Redundancy obligations apply in certain circumstances and may include severance pay.

Employment in Australia

Workplace Rights and Obligations

- Employees have a right to request flexible working arrangements in certain situations (e.g. carers, parents, people with disabilities).
- Employers must comply with workplace health and safety laws, overseen by regulators such as **Safe Work Australia** and state-based counterparts.
- Discrimination and harassment are prohibited under federal and state anti-discrimination laws.
- The **Fair Work Ombudsman (FWO)** monitors compliance with workplace laws and has the power to investigate suspected underpayment and non-compliance with employment conditions. The FWO is also empowered to enforce compliance with workplace laws and recover underpayments.



Visas Snapshot

Australia offers several visa options for overseas workers, including:

- **Temporary Skill Shortage (subclass 482)** – allows skilled workers to fill labour shortages in approved occupations.
- **Skilled Migration visas** – permanent options for individuals meeting points-based criteria.
- **Working Holiday visas** – available to young people from eligible countries, allowing short-term work and travel.

Employers sponsoring overseas workers must meet strict compliance obligations.

Employment in Australia



Business Migration

Australia's business migration framework enables foreign investors and skilled professionals to establish or expand their operations locally.

- **Sponsorship approval** – overseas employers must be approved by the Department of Home Affairs before sponsoring non-Australian workers.
- **Eligible roles** – only approved skilled occupations can be sponsored, and employers must comply with Fair Work and immigration standards.
- **Business structure** – sponsorship may occur through an Australian subsidiary or as an overseas business operating in Australia.

Fast Facts for Employers

- National minimum wage (2025): **AUD \$24.10 per hour** (subject to annual review by the Fair Work Commission).
- Maximum standard working week: **38 hours**, plus reasonable overtime.
- Superannuation (employer retirement contributions): **12%** of ordinary earnings.
- Casual employees are entitled to a 25% pay loading in lieu of benefits such as paid leave.



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Tax in Australia

Australia's tax system is transparent, robust, and internationally recognised. Businesses and individuals must comply with a framework administered by the Australian Taxation Office (ATO), supported by a network of tax treaties that reduce double taxation.



New entrants will need to consider the tax implications of investing or carrying on an enterprise in Australia, and whether they are classified as an Australian resident or non-resident for Australian tax purposes.

Broadly speaking, Australian residents are taxed on their worldwide income, that is, from sources both in and outside of Australia.

In contrast, non-residents of Australia are only taxed on their Australian-sourced income and on capital gains made in relation to assets that have a substantial connection with Australia, such as Australian real property.

However, non-resident taxpayers who derive Australian-sourced income from interest, dividends and royalties are instead subject to Australian withholding tax, which is withheld at the source.

If an entity is operating in more than one jurisdiction, they may be subject to double taxation, so consideration should be given to the operation of any **Double Taxation Agreement (DTA)**.

A DTA can operate to allocate sole taxing rights to one jurisdiction, provide tax relief to overcome double taxation, or reduce the rates of withholding tax that would normally be imposed.

Tax in Australia

Key Business Taxes

- **Corporate income tax** – Generally 30% for larger companies and 25% for eligible small and medium enterprises.
- **Goods and Services Tax (GST)** – A 10% value-added tax applied to most goods and services.
- **Payroll tax** – Levied by states and territories once wages exceed local thresholds.
- **Fringe Benefits Tax (FBT)** – Applies to certain non-cash benefits provided to employees.

Personal Taxes

- **Progressive income tax** – Ranges from 0% to 45% depending on income.
- **Capital Gains Tax (CGT)** – Applies to asset disposals, though concessions exist for small businesses and principal residences.

International Considerations

- **Withholding tax** – On certain payments to non-residents (e.g. interest, dividends, royalties).
- **Double tax agreements** – Reduce cross-border tax burdens and provide clarity for international investors.

Tax Incentives

- If an entity is thinking of establishing a business in Australia, certain tax incentives and offsets may be available to them.
- For example, where an entity is an **early-stage innovation company (ESIC)** or undertakes eligible **research and development (R&D)** activities, particular offsets and concessions may be available.

Foreign Investment

- Whilst foreign investment in Australia is encouraged, it is regulated by the **Foreign Investment Review Board (FIRB)**.
- As a result, foreign investors looking to invest in Australia may require prior approval from the FIRB to ensure that such an investment is in line with Australia's national interest.

Specialist advice is strongly recommended, as structuring investments and business operations correctly can deliver significant efficiency and compliance benefits.



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Real Property in Australia

Australia's real property market is one of the most closely watched sectors of the economy, attracting strong levels of both domestic and international investment.



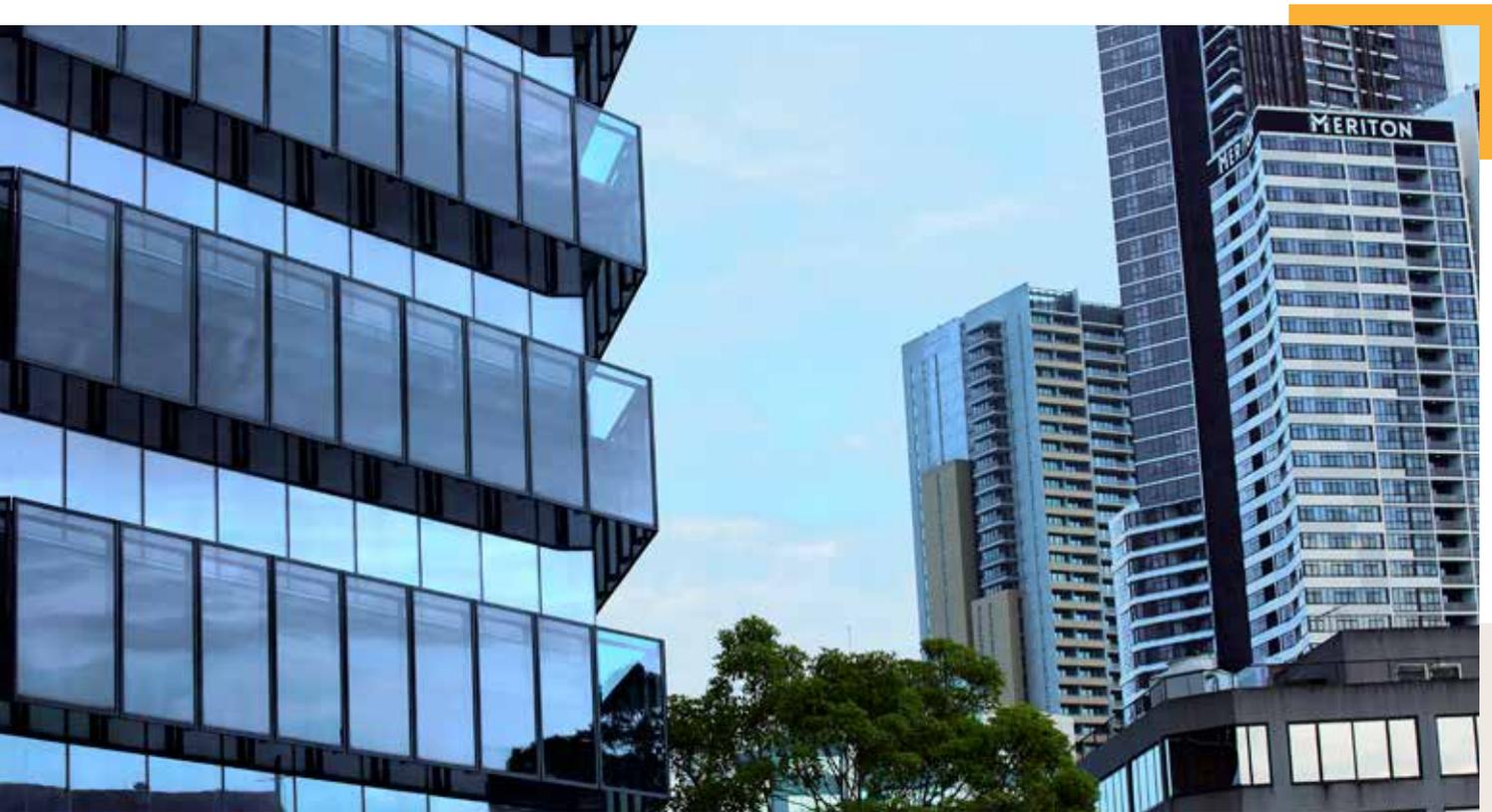
Each Australian state and territory has its own legislative requirements and conventions governing the transfer of real property and the registration of land interests. However, there is consistency across Australia as the ownership of most land operates under a Torrens system of registering title to land.

Under this system, interests in land are registered on a central state register which confers a government-

guaranteed indefeasible title (subject to limited exceptions, e.g. obtaining title by fraud).

This registration creates a legal interest in the land, but only to the extent that it does not override any pre-existing interests registered on the title, such as mortgages, leases, easements and covenants.

Real Property in Australia



Taxes Imposed on Buyers and Sellers of Real Property

- **Goods and Services Tax (GST)** – The Goods and Services Tax (GST) is a federal tax imposed on the sale of most goods and services in Australia, including the sale of certain types of real property. Where a seller of real property is (or is required to be) registered for GST, then GST applies to the sale of commercial vacant land or new residential premises (calculated at one-eleventh of a property's sale price). Sellers are technically liable for GST however contracts typically transfer this cost to the buyer (registered buyers can claim input tax credits on the taxable components of the purchase price). GST is not payable on the sale of existing residential premises or fully tenanted commercial properties.
- **Stamp Duty (transfer duty)** – Stamp duty is a tax payable by a purchaser on a transfer of land. The law relating to stamp duty varies between each state and territory. The rate of stamp duty is generally calculated based on the greater of either the (i) market value of the property or (ii) the price paid (inclusive of sales tax or GST). The rate and time for payment of duty varies for each state and territory, with some states subjecting foreign purchasers of property to a surcharge in addition to standard stamp duty rates.
- **Land Tax** – Land Tax is a tax imposed by each state and territory on all owners of real property and, depending on the land value and the nature of land ownership (e.g. a commercial or investment property), annual land tax may be payable. However, there are certain exemptions, such as a person's principal place of residence or land used for primary production (e.g. a farm).
- **Capital Gains Tax (CGT) and/or Income Tax** – The sale of real property can trigger a CGT event, creating a tax liability for the seller depending on whether the land was trading stock or held as a long-term investment. This is calculated based on the purchase price of the land plus associated non-deductible expenses and the subsequent gain or loss realised by the purchaser on the sale of the land.

Real Property in Australia

Leasing Real Property

Leasing rules for retail, commercial and industrial premises are broadly consistent across Australia with leasing in most states and territories requiring registering on the title to land if the lease term exceeds 3 to 5 years.

The registration of a lease ensures protection of a tenant's security of tenure against third parties with a claim adverse to the lease, e.g. a third-party purchase of the freehold land. Although commonly amended or excluded through express lease terms, each jurisdiction also has implied minimum lease covenants, e.g. a landlord will not derogate from the grant of the lease.



As opposed to general commercial leases, there is also specific legislation in each state and territory for retail leases, which offer additional legal protections for smaller and speciality tenants (excluding large or anchor tenants such as supermarkets and department stores). This is based on the assumption of significant unequal bargaining power between retail landlords and tenants. Under retail lease legislation, tenants are entitled to certain minimum conditions which override any inconsistencies with the terms of a retail lease including a minimum 5-year lease term (unless waived by legal advice) and a limit on the number of rent reviews.

Real Property in Australia

Foreign Investment

- Unless a proposed acquisition of real property falls within an exempt class, foreign persons must comply with approval requirements under the Foreign Acquisitions and Takeovers Act 1975 (Cth) (FATA), with approvals made to the **Foreign Investment Review Board (FIRB)**.
 - **Residential real property** – FIRB approval is required for new and established dwellings regardless of value (this excludes properties acquired under new dwelling exemption certificates which are typically reserved for residential property developers). Foreign persons are also subject to an annual vacancy fee where property is not rented out or occupied for more than 6 months per year. This is to encourage foreign owners of property to make their properties available for rent to increase Australia's available rental housing stock. The fee amount is typically equivalent to the application fee payable to FIRB for the application for approval to purchase the residential property.
 - **Commercial real property** – Refers to vacant and development property which is not for residential purposes. FIRB approval is required regardless of value for vacant commercial land.
- However, for sensitive (e.g. defence, nuclear, airport land) and non-sensitive developed land, approval is also required if the value of the interest in land exceeds AUD \$73 million and AUD \$339 million respectively.
- **Agricultural real property** – Referring to land used or that could reasonably be used for a primary production purpose. Foreign persons must notify the FIRB before an acquisition of agricultural land, if the cumulative value of Australian agricultural land interests owned by the person (and their associates) exceeds AUD \$15 million (this includes the proposed purchase price of the land being bought). However:
 - For entities from the US, Chile or New Zealand, FIRB approval is only required where the value of the interest in Australian land exceeds AUD \$1,464 million.
 - For entities from Thailand, FIRB approval is only required if the value of the interest in land exceeds AUD \$50 million, and the land is wholly and exclusively used for a primary production business.
 - **Mining or Production Tenement** – FIRB approval is required regardless of value.

² Australian Government, Foreign Investment Review Board – Monetary thresholds for developed commercial land and vacant commercial land (as at 1 January 2025), available at: <https://foreigninvestment.gov.au/sites/foreigninvestment.gov.au/files/2025-01/monetary-thresholds-jan2025.pdf>

³ Australian Government, Foreign Investment Review Board – Monetary thresholds for private investors from the United States, Chile and New Zealand (as at 1 January 2025), available at: <https://foreigninvestment.gov.au/sites/foreigninvestment.gov.au/files/2025-01/monetary-thresholds-jan2025.pdf>

⁴ Australian Government, Foreign Investment Review Board – Monetary thresholds for Thailand under the Australia–Thailand Free Trade Agreement (as at 1 January 2025), available at: <https://foreigninvestment.gov.au/guidance/general/monetary-thresholds>

Real Property in Australia



The Bigger Picture

Australia's property framework offers a stable and transparent environment for both domestic and international investors, underpinned by clear land title systems, established leasing practices and strong legal protections for both buyers and sellers.

In practice, success in doing business in Australia depends on careful due diligence, compliance

with regulatory requirements and well-drafted contractual arrangements that appropriately allocate risk. Therefore, prudent legal guidance can enable investors and business to take advantage of Australia's sophisticated property market and robust legal infrastructure to achieve secure and commercially sound outcomes.



Find out more
and connect
with our team.

Business Etiquette & Culture

Success in Australia often depends as much on relationships as on technical expertise. While business culture is generally straightforward, understanding some local norms helps build trust and credibility.



Communication

Australians value direct and clear communication. While professional, discussions are often less formal than in some other jurisdictions.

Meetings

Punctuality is expected. Decisions are usually collaborative, with input sought from multiple stakeholders before agreements are finalised.

Relationships

Trust is built over time. Demonstrating reliability, delivering on promises, and showing cultural awareness are all important.

Workplace Culture

Australia places a high value on work-life balance, diversity, and inclusion. Many businesses adopt flexible working arrangements and prioritise employee wellbeing alongside commercial outcomes.

Further Information

Coleman Greig Lawyers is one of Australia's leading mid-sized commercial law firms, with offices across Greater Sydney. For more than 97 years, we've supported local and international clients with trusted expertise and practical, business-focused advice.

Our Commercial Law team works across franchising, manufacturing, transport and logistics, construction, and healthcare, including subsidiaries of multinationals and government entities.

We're proud to act for many international clients expanding or operating in Australia; providing clear guidance on establishing entities, managing subsidiaries, and navigating complex regulations.

If you or your client is looking to do business in Australia, contact our Commercial team for expert advice.

Our Core Practice Areas

Australians value direct and clear communication. While professional, discussions are often less formal than in some other jurisdictions.

- **Commercial Services** – Business structuring, contracts, transactions, and mergers and acquisitions
- **Employment Solutions** – Workplace compliance, disputes, and advisory
- **Taxation** – Domestic and international tax strategy
- **Property Services** – Acquisition, leasing, development advice and assistance

- **Dispute Resolution** – Commercial disputes across all jurisdictions
- **Wills & Estates** – Complex estate planning and administration
- **Family Law** – Guidance on separation, parenting, and financial matters

As active members of PLG International Lawyers, we collaborate with leading firms worldwide to support clients seamlessly across borders.

Scan the QR codes at the end of each section to connect directly with our lawyers and view their profiles.

For further information, visit: www.colemangreig.com.au



Contact Us

For further information about this Guide, contact Coleman Greig Lawyers for expert advice.



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Coleman Greig Lawyers – Trusted by clients for over 97 years.

YOUR **FUTURE** COMES **FIRST**

In the spirit of reconciliation Coleman Greig Lawyers acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community.

We pay our respect to their elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

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