



Finances and funding

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Getting your finances in order means your business can work more efficiently and puts you in a better position when seeking funding for growth. Successfully managing your finances can create sustainability and growth for your business, so it's important to get it right. Visit the [Finance](#) page of [business.gov.au](#) for more information and resources.

Kinds of finance

Debt finance - money provided by an external lender, such as a bank, building society or credit union.

Equity finance - money sourced internally by the business.

Calculating startup costs

Think about things like:

- Professional fees e.g. Accountant or solicitor
- Registration, licence and permit fees
- Insurances
- Equipment for your office or business development
- Technology costs (extra phones, computers etc.)
- Advertising and marketing costs
- Health and safety equipment
- Staff costs including recruitment and training
- Rent costs for a business premises
- Banking costs eg. Establishing banking facilities or loans

Tax

For tax information contact the Australian Tax office (ATO) at www.ato.gov.au

Other things to remember

- ✓ Work out startup costs and prioritise
- ✓ Keep business and personal finance separate
- ✓ If you turn over more than \$75,000 annually you must register for GST
- ✓ Employees aged 18-69 who earn over \$450 a month must be paid superannuation.



Cash Flow

Profit is the result of trade over a given period, but cash flow is what is required to keep the business running and cover daily expenses. It is important to manage and understand how cash flows through your business as without proper management of cash flow, there is a much higher likelihood your business will fail.

A month by month cash flow budget will keep you on track with bill payment and will predict the availability of cash in your business at any given time. Planning income and expenses monthly will help you plan for cash shortfalls in the future and keep you on track to your goals.

A cash flow budget is created by using data (market research) to predict how you think your business will perform and then taking into account *known costs* such as rent, bills, wages etc. Many business owners use an accountant to prepare a cash flow budget for them, especially if your business is new – in order for you to get your predictions about performance as reliable as possible.

Business Support advisors

Business support advisors are experienced professionals and give confidential advice independently from the NSW Government. Advisors are accredited and have experience running a small business themselves. Advisors have a broad range of skills covering essential business topics and digital literacy. You can enter your details on their website to find an advisor or call: **13 77 88**.

<https://www.service.nsw.gov.au/business#:~:text=We%20can%20help%20you%20with%20tailored%20advice%20from,team.%20>

Records & Accounting

All businesses need to keep records of the money coming in (income) and money going out (payments). Income might include money for fees charged for services, sales of products, the sale of assets, money contributed to the business by the owner or investor, or finance from banks or other sources. Payments include money paid for wages, taxes, expenses, assets purchased, moneys paid to the business owner and loans by the business. There are also a number of non-financial records that need to be kept for example: contracts, important correspondence, insurance documents, an assets register, warranties and receipts for purchases, and planning documents. Visit <http://www.asic.gov.au/companyrecords> to review the laws and regulations of financial records.

Setting up a book keeping system

Decide whether you will use a *cash-based accounting* system or an *accrual-based accounting system*. Both have their pros and cons, which you can compare here:

[Cash-vs-Accrual-accounting information](#)

Manual book keeping systems include a series of books or ledger accounts that are often available at your local newsagent, office supply or book store. Manual systems require more time spent on paperwork but they can be ideal for business owners who aren't confident using a computer and have simple affairs. If you're confident using a computer you should use **electronic** systems: *software*, or tailored accounting packages to be installed on your IT systems, *web-based* or 'cloud' systems or *spreadsheet* systems such as excel. It is recommend you seek accounting advice before committing to a system to ensure it is the right one for you.



Support from NSW Government and other agencies

[Western Sydney University Launch Pad](#) offers a one-stop-shop business and innovation support program that provides facilities, assistance and resources for startup and high-growth technology-based businesses in Western Sydney.

[YARPA](#)

<https://business.gov.au/grants-and-programs?resultsNum=10> has a grant search tool to explore all the business grants currently available.

Please note: while all care has been taken in the preparation of this document, it should not be seen as a substitute for independent consideration of the issues and/or legal advice on this subject. This document is current as of July 2017.
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