



Start freelancing in 30 days

A step-by-step guide for Aussies who are ready to set up their business and start earning money (the right way)

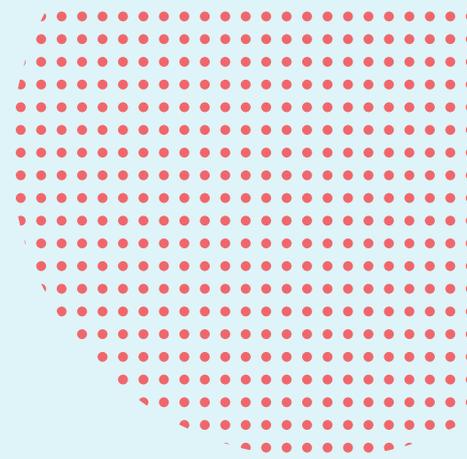
Part 1 » Setting up your new business

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Introduction

How to use this guide



**“ I want to be a freelancer,
but I don’t know how to get started! ”**

If you’ve said something like this before, you’ve come to the right place.

At Rounded, we work with thousands of Australian freelancers, some who have been running their own businesses for decades, and others who are just starting out.

We’ve heard plenty of stories about how challenging it can be to start freelancing. There’s a lot to learn and prepare for, and it’s easy to get bogged down by information overload.

That’s why we created the Freelance Starter Pack.

In this guide series, you’ll find all of our best advice for setting up your freelance business for success. There are three guides in the series:

Part 1 » [Setting up your freelance business](#)



Part 2 » [Preparing your finances for freelance success](#)

Part 3 » [Finding your first clients](#)

This guide will show you how to:

- ✓ Gain a deeper understanding of your products and services
- ✓ Identify your unique selling point
- ✓ Legally structure your business
- ✓ Choose a business name (and be sure it’s available)
- ✓ Apply for your Australian Business Number (ABN)

Ready to get started?

Your freelance journey starts now.

– *The Rounded team*



Hey! Before you get started...

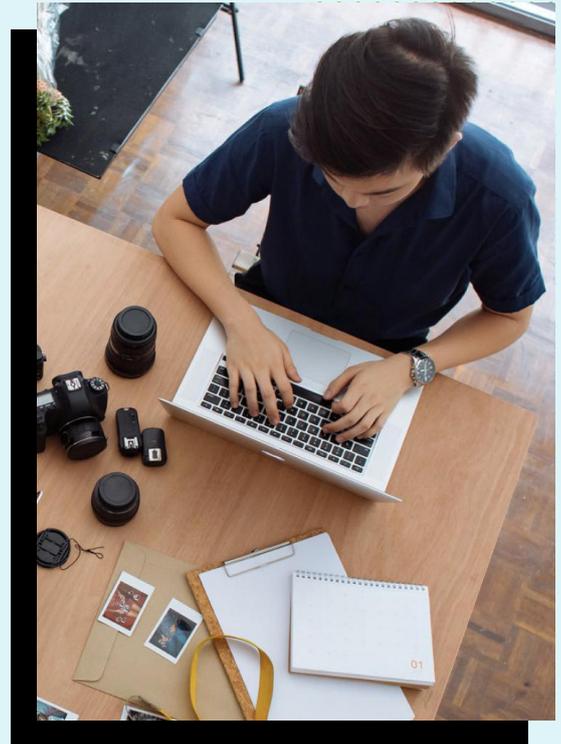
We recommend all freelancers begin this process with a tax accountant in their corner. These professionals can make sure you are ticking all the right boxes as you make your way through this guide.

How to find the right tax accountant



Getting to know your business

Define your services and identify your customers



Chapter Checklist

Est. time to complete: 1–3 days

- Make a list of your soft and hard skills
- Use questions to create an ideal customer profile
- Research freelancers in your industry/niche
- Fill out the template to find your USP

How do you turn a great idea into a long-term freelance career?

The first step is to make sure you have a deep understanding of how you will run your business and earn money. You'll need to know the answers to these questions:

- What exact products and services will you offer?
- Who will your primary customers be?
- What will you do to make your business stand out?

We've put together a process that will help you find the answers to these questions. You'll need a pen and paper (or just a blank Word document).

Step 1

Create a big list of all your skills

Start by making a big list of all your talents, strengths, and experiences that will help you run a successful freelance business.

Set a timer for at least 15 minutes — this list should be exhaustive, and include both your hard skills (like “professional video editing”) and your soft skills (like “excellent communicator”).

Ask a trusted friend or family member to look over this list and see if they can think of anything you left out.



Step 2

Formalise a list of **your services**

Make a second list of the services you think you can offer. Be specific. For example, you may already know you want to be a freelance graphic designer. Will you offer logo design? Brand development? Animated graphics?

Now, start comparing your list of skills to your list of services. Take notes on which of your abilities will best support the services you plan to offer.

Step 3

Use these questions to get a **deeper understanding of your customers**

Now it's time to brainstorm who your ideal clients will be. When you know what your customers' wants and needs are, you can market your business as the solution they've been looking for.

Write down the answers to these questions:

- *What anxieties/stresses are your customers experiencing?*
- *What would bring your customers the most joy and satisfaction?*
- *Why do your customers need your services at this moment?*
- *What is the one thing your customers need help with?*
- *What has frustrated your customers in the past with other service providers?*
- *How much do your customers understand about your industry and services?*

Step 4

Take notes on people who are already doing this (**and find the gap you can fill**)

You can learn a lot by looking at freelancers who are already offering services similar to yours. You may already know some of your competitors, but if not, it's easy to use Google or LinkedIn to find some examples.

As you review their websites or profiles, take notes on:

- *Their pricing structure*
- *Their mission statement/about page*
- *How they describe their products/services*
- *What tone of voice they use when communicating with customers*

Now that you have all this information, you can start to put it together into what's known as a Unique Selling Point, or USP.

This is a single statement that succinctly answers the question: *What makes my business unique and valuable?*

Your USP will be a compass for your business — it will guide your branding and marketing efforts, and help you explain to customers and clients exactly what it is you do.

To find your USP, try filling out the template on the next page.

How to develop a standout USP

Get more information →

Template for creating a USP



[Your business name] serves **[main customers]** who need/want **[primary customer needs]** because **[primary customer pain point]**.

Example:

Perfect Wedding Florists serves **soon-to-be-married couples** who want **beautiful, custom wedding flowers** because **they want a stylish, memorable wedding ceremony**.

Unlike other options on the market, **[your business name]** is/offers/has **[unique services]** to help/so that **[your customers]** achieve **[customer goal]**.

Example:

Unlike other options on the market, **Perfect Wedding Florists** offers **free one-on-one florist consultations**, so that our clients can **get custom bouquets that reflect their personality and style**.

Now, see if you can combine those two sentences into one brief statement.

Here's our example:

Perfect Wedding Florists offers beautiful, custom bouquets and floral arrangements for couples who want a memorable ceremony. Our one-on-one florist consultations ensure our clients get floral arrangements that perfectly capture their unique style.

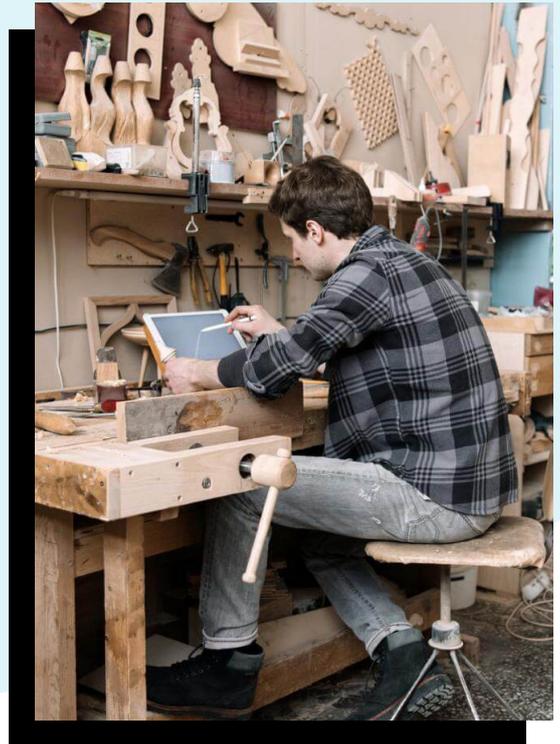
How to choose the right business structure

- Start setting up your business as a legal entity
- Learn the important terms freelancers need to know
- Decide on the right business structure

Up
Next
→

Choosing your business structure

Decide if you will be a sole trader, Pty Ltd., or Partnership



Chapter Checklist

Est. time to complete: 1–2 hours

- Familiarise yourself with the different types of business structures
- Review the pros and cons of choosing to be a sole trader
- Decide on the best structure for your freelance business

You've done lots of brainstorming about your business — now it's time to start making things official.

To formalise your new business, you'll need to decide whether you want to be a **Sole Trader**, a **Pty Ltd**, or a **Partnership**.

These are the three terms the Australian government uses to classify businesses — and as a freelancer, you are technically your own business.

Let's look a little closer at these three terms, to see how they are different from each other:

Sole Trader

As a sole trader, you as an individual will operate as the same entity as your business. In the eyes of the Australian Tax Office, you and your company are one and the same.

Pty Ltd

The Pty Ltd structure means you as an individual operate separately from your business in the eyes of the Australian Tax Office.

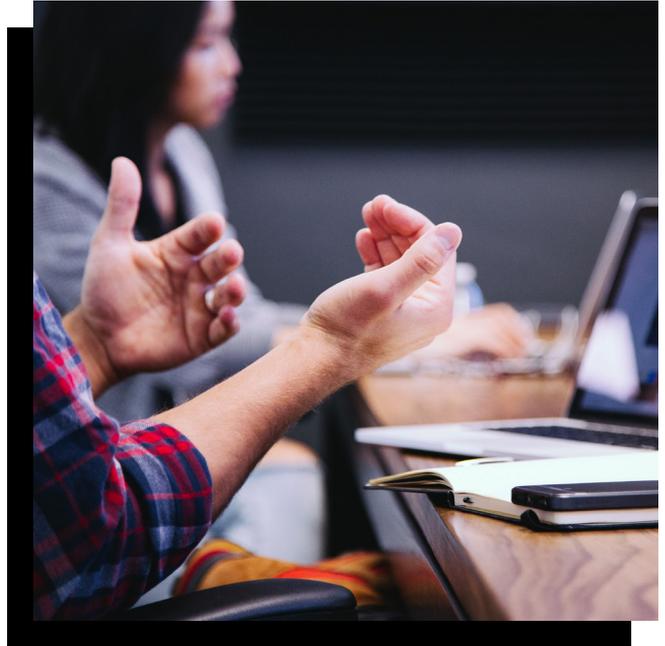
Partnership

This distinction is for any business that is owned and operated by more than one person.

It's not always easy to know which one of these structures is best for you, which is why we recommend talking with a tax accountant before deciding on the right structure for your business.

If you are going to own and run this business with one or more people, then it's mostly likely you will structure it as a **Partnership**.

Otherwise, you'll need to choose between **Sole Trader** and **Pty Ltd**. To help you with the decision, here are some of the pros and cons of choosing a Sole Trader designation.



Pros and cons: Sole Trader designation

Pros

- ✓ **Simple startup.** Sole trader is the simplest business structure to set up and understand, requiring the smallest time investment.
- ✓ **Easier tax filing.** As a sole trader, you will only have to file one set of taxes, rather than submitting both personal taxes and taxes on behalf of a company.
- ✓ **No super requirements.** Sole traders are not required to make super contributions for themselves or their employees (if you choose to employ anyone under your business).

Cons

- ✗ **Legal liability.** Should your business end up in legal or financial trouble, you (and your personal assets) would be at risk.
- ✗ **Higher taxes.** As a sole trader, you'll pay a personal income tax rate, which can go up to 45%. The full tax rate for Pty Ltds is 30%.
- ✗ **No super requirements.** You aren't required to pay super as a sole trader, but this also means you'll need to be diligent about contributing to your own super account.



Pros and cons: Pty Ltd designation

Pros

- ✓ **Personal protection.** As a Pty Ltd, your personal assets won't be in danger if your business comes into legal or financial trouble.
- ✓ **Lower taxes.** Pty Ltds pay a tax rate of 30%, which is often lower than the tax rate for sole traders.
- ✓ **Superannuation.** Pty Ltds are required to make super contributions — even if you are the only employee. This will ensure you have money set aside for later in life.

Cons

- ✗ **A bit more complicated.** The setup application for Pty Ltds is more complicated than starting out as a sole trader.
- ✗ **Multiple tax filings.** Every year, you will need to submit personal taxes as well as tax filings for your Pty Ltd. Sole traders only submit one set of taxes.
- ✗ **Super requirements.** It's a good idea to set aside super for yourself, but some freelancers find this financial obligation difficult, especially when starting out. You'll also be required to make super contributions for any employees you hire.

Sole trader vs. Pty Ltd: Which to choose

[Get more information](#) →

When you've weighed your options and discussed your choice with a tax accountant, then you're ready to move on to the next step. →

Making it official: Name your business and apply for an ABN

- Learn how to come up with a great business name
- Follow our guide to checking your business name's availability
- Take steps to apply for an Australian Business Number (ABN) and make things official!

Up
Next



Making it official

Name your business and apply for an ABN

Chapter Checklist

Est. time to complete: 2–4 days

- Brainstorm the best names for your business
- Use the business name checker to verify its availability
- Follow the steps to apply for your ABN
- Celebrate a major milestone toward being a freelancer!

There are only two things left to do before you can officially count yourself among the freelancer community of Australia: choosing a business name, and applying for an Australian Business Number (ABN).

Picking a formal name for your business is a big decision — your title is a key part of your branding, and you'll see it on every invoice and tax document you file.

You may already have some business name ideas in mind. If not, here's a simple process you can follow to generate a list of potential names. You'll need your paper and pen again, and get out the lists of skills and services you created already.



Choosing the perfect business name

[Read the full guide](#)



Activity: Business Name Brainstorming



**Step
1**

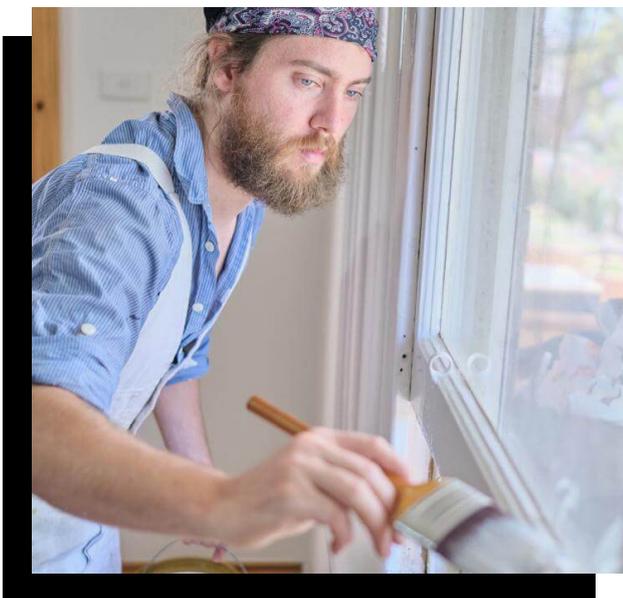
Create a list of words **related to your industry**

For example, a photographer might write down words like camera, film, capture, filter, etc. A freelance writer might list out pen, ink, copy, blog, story.

**Step
2**

Bring out your list of **skills and services**

Earlier in this guide, you created a list of both your hard and soft skills, as well as the services you plan to provide. Get them out now.



**Step
3**

Create a list of **your interests and personality traits**

Think about things like your favourite colours, songs or movies you like, sayings you're fond of, pets you own, etc.

**Step
4**

Start generating ideas using **words from all three lists**

Now the fun part — start finding ways to combine these words and phrases together. Look for words from different lists that complement each other or sound nice together. Play around with the spelling and composition of each word, and try saying them together out loud to see how it sounds.



Once you've got a list of potential business names, it's time to whittle them down to find the perfect fit. The best way to do this is through the process of elimination. **Here's how to do it:**

Testing out your business name

- 1 Eliminate any names that are hard to spell or pronounce
- 2 Google the names and eliminate any that are too similar to competitors or big, well-known businesses
- 3 Eliminate names that are too vague and forgettable
- 4 Visit the [ASIC name-checker website](#) and make sure there are no other registered names already in Australia
- 5 Visit a site like [NetRegistry](#) or [Name.com](#) to ensure you can register a good domain name related to your business (do it now so you don't lose it later!)

Applying for an ABN

When you've settled on a business name, it's time to make things official by registering your business name with the Australian government.

You do this by applying for an Australian Business Number (ABN)—what will essentially be your ID number for your business going forward.

Ready to apply for your ABN? Follow these instructions. If you have all your materials ready, it should only take a few minutes.

What you need to apply for an ABN

- ✓ Identification documents (passport, ID card, driver's license, or birth certificate)
- ✓ Your Tax File Number (TFN)
- ✓ Your chosen business name and structure
- ✓ Details of the services you intend to provide

Cost to file:

\$36 AUD/1 year | \$85 AUD/3 years



How to file for your ABN

- 1 Visit the [Australian Government's Business Registration page](#)
- 2 Select the registrations you want to apply for. If you have never registered an ABN or company before, select all three boxes for "ABN", "Business Name", and "Australian Company"
- 3 Unless you already have an ABN, skip the additional registrations for now
- 4 Follow the prompts to create an account
- 5 Select your business structure (Sole traders will select "Individual")
- 6 Fill out the remaining information as requested:

- Proof of identity
- ABN details
- Your contact details
- Additional business locations
- Authorised contacts

If your information is all approved, you should receive your ABN via email shortly after you submit everything. (If not, you can contact the Australian Business Registry to ask about your application status.)

Congrats!

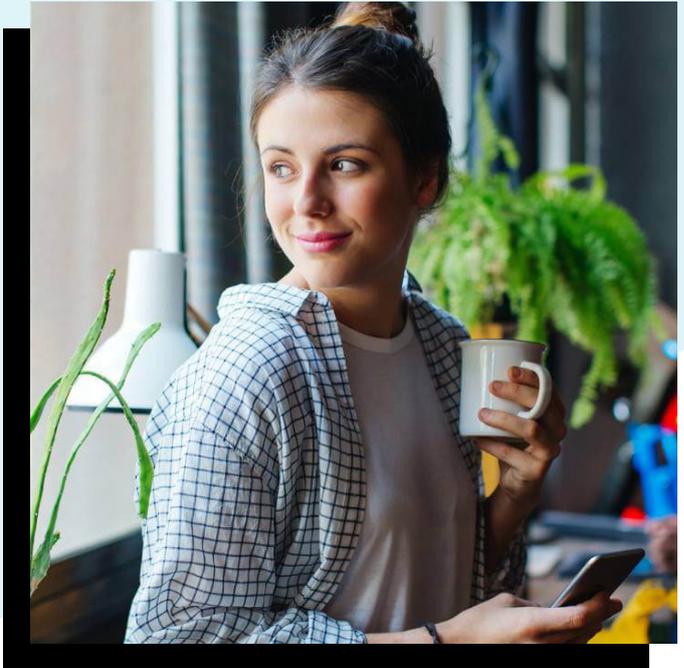
You are now officially a business in Australia!

This definitely warrants a celebration.
Cheers to you!

Of course, there's still quite a bit to do before you can start bringing in your first customers. So once you're done celebrating, be sure to download the other guides in this series if you haven't already.



On the road to freelance success



Congratulations! If you've followed our guidance in this guide, you've got a reason to celebrate. The steps you've taken in these early stages will be paying off for years to come.

While it's impossible to predict what will become of the business you've started, one thing is for sure — you are already laying the groundwork for what will be a very successful career as a freelancer.

Over the coming months and years, you'll be growing your business. You'll bring on new and exciting clients, discover processes and ways of working that make your job easier, and make new connections with others who have followed the same path as you.

The team at Rounded will be here as you grow your business as well. If you haven't yet, come sign up for a free 14-day trial and see why so many Australian freelancers use Rounded to manage their finances.

[Start your free trial](#) →

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