

Choosing a business structure

There are many things to consider when choosing a business structure. Your choice will affect matters such as how your business is owned, how it is taxed, licensing and insurance liabilities, and how you can grow your business. You need to choose a structure which will best suit your needs.

The size and nature of your business, compliance requirements, insurance and establishment costs are common factors that may influence your choice of business structure. Whichever structure you choose, make sure you understand the responsibilities that go with that structure.

The four most common types of business structures in the building industry are:

- > **Sole trader** – an individual trading on their own
- > **Partnership** – an association of people or entities running a business together, but not as a company
- > **Company** – a legal entity separate from its shareholders
- > **Trust** – an entity that holds property or income for the benefits of others

There are advantages and disadvantages for each type of structure and as each business is different you should seek advice from your accountant and/or your solicitor before you make a final decision.

For more information have a look at our guide
“An introduction to Choosing a business structure”



For more information call 1300 650 620, email bis@hia.com.au or visit hia.com.au