Your first year running a trade business in Australia: the business side

You know the trade. The first year is about everything else: the paperwork, the pricing, the phone and the money. This guide walks through the business side in the order most new tradies hit it. It's general information, not tax or legal advice, and some rules change from state to state, so check your own situation with your accountant.

By the LeadAI team, Melbourne · Updated 22 November 2026

THE SHORT ANSWER

In your first year, get the basics right first: an ABN, your state licence, insurance, a separate bank account and GST once you expect $75,000 a year. Work out your hourly rate from your real costs, quote within a day or two, and ask every customer for a Google review. Set up a free Google Business Profile, answer every call, follow up every quote and invoice the day the job is done. Hire your first helper when you're turning work away, and get the office off your plate before that.

1. ABN, GST, insurance and licences

Sort these before your first paid job. They're what customers, builders and suppliers will ask for, and some of them are the law.

- Put money aside for tax from every payment. Nobody takes tax out of your pay any more, and the first tax bill catches a lot of new tradies out. Ask your accountant what share to set aside.
- If you're registered for GST, the GST in each payment isn't yours. Put it aside too.
- Keep your receipts and records. The ATO generally expects you to keep business records for 5 years.

The basics for a new trade business

What	Why it matters	Where to get it
ABN	You need one to invoice as a business. If you don't quote an ABN, a business customer may have to withhold 47% of what they pay you	Free, through business.gov.au and the Australian Business Register
Business structure	Sole trader is the simplest start. A company costs more to run but keeps business and personal debts apart	Talk it through with an accountant before you set up
Trade licence	Most trades need a licence for the work, and the rules differ by state and trade. Put your licence number on quotes and invoices	Your state's licensing body. business.gov.au lists them
Public liability insurance	Often a condition of work on site and of some licences. One accident can cost more than a year's profit	An insurer or a broker
Other insurance	Tools and equipment, your ute, income protection, and home warranty insurance for home building work where your state requires it	An insurer or a broker

What	Why it matters	Where to get it
GST	You must register once your GST turnover is $75,000 a year or more, or you expect it to be. Then you add GST to your prices and lodge a BAS, usually each quarter	ATO, or your accountant or bookkeeper
Business bank account	Keeps business money apart and makes tax time far easier	Your bank

General information only. Check your own situation with your accountant and your state's licensing body.

2. Pricing a job and quoting fast

Most new tradies price too low because they guess off what an employer paid them. Your rate has to cover everything an employer used to cover: the ute, insurance, tools, phone, software, super, time off and the hours you can't charge for.

Here's a simple way to work it out. The figures below are an example only, not a suggested rate.

- Quote within a day or two, while the customer still remembers you. The first clear quote often wins.
- Put the scope, what's not included, how long the price stands, the payment terms, your ABN and your licence number on every quote.
- Use a quote for a fixed price. Use an estimate only when you can't know the full job yet, and say so clearly.
- Reuse one quote layout so each quote takes minutes, not an evening.

Working out an hourly rate (example)

Step	Example
What you want to pay yourself in a year, including super	$90,000
Yearly business costs: ute, fuel, insurance, tools, phone, software, accountant	$30,000
Total to cover	$120,000
Hours you can actually charge: 46 working weeks × 30 hours on the tools	1,380 hours
Break-even rate: $120,000 ÷ 1,380 hours	About $87 an hour
Add profit, so the business can grow and ride out quiet weeks	Your call
Add GST if you're registered	+10%

Only the hours you can bill count. Quoting, driving, picking up materials and doing paperwork are real work, but no one pays for them by the hour.

Quote template for tradies: a layout you can copy

3. Getting your first 20 reviews

When you're new, reviews are your track record. Most people check them before they ring a tradie they don't know, and a profile with no reviews looks risky next to one with twenty.

- Ask in person when the job is done and the customer is happy, then send a text the same day with a direct link to your Google review page.
- Ask every customer, not just the ones you think will rave. It's fairer, and it's what Google expects.

•Never pay for a review or offer a discount or gift for one. Google's rules ban offering incentives for reviews, and the ACCC warns that fake or incentivised reviews can break Australian Consumer Law.

•Never write reviews yourself or ask friends who haven't used you to post them.

•Reply to every review, good or bad, politely and briefly. Future customers read the replies.

•Your first jobs for family and friends count if they were real jobs. Ask them to describe the work honestly.

Twenty honest reviews in your first year is a realistic goal if you ask after every job.

4. Setting up your Google Business Profile

A Google Business Profile is the free listing that shows up in Google Maps and in the local results when someone searches for a trade near them. For a new tradie it's often the biggest free source of calls.

•Create it free at google.com/business, with your business name exactly as it's registered.

•Working from home? Set it up as a service-area business and hide your home address. List the suburbs you cover instead.

•Pick the main category that matches your trade, then add the services you do.

•Expect Google to verify you, sometimes with a short video of your ute, signage or tools.

•Add photos of real jobs, before and after, and keep adding them.

•Put the same business name, phone number and website everywhere: your profile, your website, Facebook and any directories.

•Make sure the number on your profile is one that always gets answered.

5. Never missing a call or an enquiry

In your first year, every call counts. A missed call is often a job gone to whoever picks up next, because most people won't leave a voicemail. They ring the next tradie on the list.

•Use one business number on everything, and keep it separate from your personal number if you can.

•Decide who answers when you're on the tools, up a ladder or driving. Voicemail isn't an answer.

•Ring back missed calls and web enquiries within minutes, not tonight.

•Write down every enquiry: name, number, the job, the suburb and what you promised.

•Answer Facebook and website messages the same day.

What missed calls really cost a trade business

6. Chasing quotes

Plenty of quotes are lost to silence, not to a cheaper tradie. The customer got busy, forgot, or wasn't sure what came next. A polite follow-up wins a lot of those back.

A simple quote follow-up routine

When	What to do
The day you send it	Check they got it and ask if anything isn't clear
2 to 3 days later	A short call or text: any questions, and when would they like to start?
About a week later	A second follow-up. Offer a start date you actually have free
Two weeks or so later	A last check before the quote expires, so they can still say yes

Stop as soon as they say yes or no. Keep calls to reasonable hours.

How to follow up a quote, with the wording to use

7. Getting paid on time

Cash flow is what sinks new trade businesses, even busy ones. You pay for materials, fuel and insurance up front, then wait on customers. Late payment is common: Xero's data shows Australian small businesses were paid an average of 6.0 days late in the June 2026 quarter.

- Agree payment terms in writing before you start: when it's due and how they pay.
- Take a deposit for bigger jobs, inside the limits your state sets for home building work.
- Invoice the day the job is finished, not on Sunday night. Short terms, like 7 or 14 days, get paid faster.
- Use accounting software such as Xero, MYOB or QuickBooks so invoices, pay links and GST are in one place.
- Put a pay link or your bank details on every invoice so paying takes seconds.
- Send a polite reminder a day or two after the due date, then ring. Most late payers just need a nudge.
- Keep the chasing inside the debt collection contact rules: reasonable hours, and no more than 3 contacts a week.

How to chase unpaid invoices: the full routine and the rules

8. When to hire your first helper

A good sign it's time: you're regularly turning work away, or quoting jobs weeks out, and the work coming in is steady enough to cover a wage in your quiet months too.

- Employees need super on top of their wages, currently 12%. From 1 July 2026, under Payday Super, super must be paid each time you pay wages, not each quarter.
- You need workers compensation insurance for employees in every state and territory.
- Wages are reported to the ATO through Single Touch Payroll. Most accounting software does this for you.
- Before you hire someone for the tools, take the office off your own plate first. Many first-year tradies are short of evenings, not hands.

Your options for a first helper

Option	Good for	What to know
Subcontractor	Busy patches and one-off jobs	They run their own business and invoice you. Calling an employee a contractor is sham contracting, which is illegal. The ATO has a tool to check
Casual or part-time employee	Steady extra work	Pay at least the award rate, which you can check with the Fair Work pay calculator
Apprentice	Building your own team for the long run	Takes time to train. Government support may be available through Australian Apprenticeships

Where AI staff take the admin

Most of the jobs in this guide land on you after hours: answering calls, ringing enquiries back, writing and chasing quotes, sending invoices and asking for reviews. That's the part AI staff can now do for a new trade

business, so you can stay on the tools.

The admin in your first year, and which LeadAI staff member takes it

The job	Who takes it
Answering calls while you're on the tools, day and night	Anna, AI receptionist
Ringing new enquiries back within minutes and booking them in	Emily, follow-up
Writing the quote while you talk the job through	SAM, quotes and invoices
Following up every quote until you get a yes or a no	Emily, follow-up
Sending invoices and chasing overdue payments	SAM and Carol
Asking for a Google review after the job	Jenny, after-job check-in

Your trade work, your prices, your licence and the decisions always stay with you.

Ring Emily on 0468 199 598 to hear what your customers would hear.

Meet Emily and read her resume

See all the AI staff

Questions people ask

What do I need to start a trade business in Australia?

An ABN, the licence your trade needs in your state, public liability insurance and a separate business bank account. Register for GST once you expect $75,000 a year in turnover. Then set up how you'll answer calls, quote, invoice and ask for reviews.

How much should I charge as a new tradie?

Add up what you want to pay yourself, including super, and your yearly business costs, then divide by the hours you can actually bill, often well under 40 a week. That's your break-even rate. Add profit, and GST if you're registered. Check what local competitors charge, but don't simply copy the cheapest.

How do I get my first Google reviews as a tradie?

Ask every customer in person when the job is done, then text them a direct link to your review page the same day. Reply to every review. Never pay or offer anything for a review, because Google bans incentives and fake or incentivised reviews can break Australian Consumer Law.

Do tradies need a Google Business Profile?

Yes, for most local trades it's the biggest free source of calls. It's free to set up, you can hide your home address as a service-area business, and it shows you in Google Maps when people search for your trade nearby.

When should I register for GST?

Once your GST turnover is $75,000 a year or more, or you expect it to be. You can register earlier if you choose. Check with the ATO or your accountant.

When should a tradie hire their first employee?

When you're regularly turning work away and the work is steady enough to cover a wage in quiet months. Pay at least the award, add 12% super paid with each pay from 1 July 2026, and take out workers compensation insurance. Many tradies take the office work off their plate first, with an office person or AI staff, before they hire for the tools.

SOURCES

1. business.gov.au, Starting a new business
2. business.gov.au, Register for an Australian Business Number
3. business.gov.au, Registrations, licences and permits
4. ATO, Registering for GST
5. ATO, Withholding if ABN not provided
6. Google Business Profile Help, Tips to get more reviews
7. Google Business Profile Help, Add or claim your Business Profile
8. ACCC, Online reviews for products and services
9. Xero, Late payments and small business in Australia
10. Fair Work Ombudsman, Payday Super: new rules starting 1 July 2026
11. ATO, Payday Super checklist for employers
12. ATO, Employee or independent contractor
13. Fair Work Ombudsman, Pay calculator
14. Safe Work Australia, Workers' compensation
15. Australian Apprenticeships

Read it online, with live links: www.leadai.com.au/guides/first-year-trades-business

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