SML Bookkeeping & Tax

GST Registration for Small Businesses

KS-001

When registration is required, what changes after registration, and what owners should prepare.

TOPIC	PREPARED BY	FORMAT
Small business education	SML Bookkeeping & Tax	Knowledge Sheet

Key message

GST registration means the business becomes part of the GST system. Once registered, the business generally needs to charge GST on taxable sales, issue tax invoices where required, claim GST credits where eligible, and report GST through BAS.

GST registration - what changes for the business

1 **Monitor turnover**
Track current and projected GST turnover so the business knows when registration may be required.

2 **Register when needed**
Register once the relevant rule applies or a special rule requires registration.

3 **Update invoices**
Include GST on taxable sales and issue tax invoices where required.

4 **Report through BAS**
Report GST collected and GST credits through Business Activity Statements.

What is GST registration?

GST registration is the formal step that allows a business to collect Goods and Services Tax on taxable sales and claim GST credits on eligible business purchases. For many growing businesses, this is a major point because it changes pricing, invoicing, bookkeeping and reporting.

When does a business usually need to register?

- Most businesses need to register when GST turnover reaches the relevant threshold.
- The commonly referenced threshold for most businesses is $75,000.
- Some organisations and industries have different rules.
- Taxi and ride-sourcing drivers generally have special GST registration requirements.
- Businesses should monitor projected turnover, not only historical sales.

What changes after registration?

- The business may need to add GST to taxable sales.
- Tax invoices must meet ATO requirements.
- Bookkeeping records need correct GST coding.

- GST collected and GST credits are reported through BAS.
- Pricing and cash flow should be reviewed because GST collected is not business profit.

Good records to keep

- Sales invoices and receipts.
- Supplier invoices and purchase receipts.
- Bank statements and reconciliation records.
- Accounting software GST reports.
- Notes about business structure or activity changes.

Example

A new cafe is growing quickly and expects annual sales to pass the GST threshold. The owner should speak with the accountant before reaching the threshold, because registration may affect menu pricing, invoice setup, bookkeeping processes and BAS obligations.

Common Questions

Do I need to register as soon as I start a business?

Not always. Many businesses only need to register once they meet the relevant rules, but some activities have special requirements.

Can I register voluntarily?

Some businesses may register voluntarily. Whether this is useful depends on cash flow, customer type, expenses and administrative workload.

Is GST collected extra income?

No. GST collected from customers is generally reported and paid to the ATO after offsetting eligible GST credits.

Reference Sources

Source	Used for
Australian Taxation Office	Official GST registration rules, thresholds and BAS obligations.
Business.gov.au	General business registration and practical setup guidance.
CPA Australia	Professional context for small business tax and bookkeeping obligations.

Important note

This Knowledge Sheet provides general information only. It does not take into account the full circumstances of any business. Speak with SML Bookkeeping & Tax before making tax, payroll or compliance decisions.