SOFTWARE & TECH

How To Get An Abn Number

Published: November 20, 2026 | Index ID: #-

Understanding the Australian Business Number (ABN)

If you are planning to start a business, work as a freelancer, or become a sole trader in Australia, one of the first things you will need is an Australian Business Number (ABN). An ABN is a unique 11 digit identifier that allows your business to interact with the Australian Taxation Office (ATO), other government agencies, and your clients. Without it, you cannot issue valid tax invoices, claim Goods and Services Tax (GST) credits, or register your business name in most states. Learning **how to get an ABN number** is a straightforward process, but it requires careful attention to eligibility, business structure, and the information you provide. This article will guide you through every step, from checking your eligibility to receiving your ABN, while also covering common pitfalls and frequently asked questions.

What Is an ABN and Why Do You Need One?

An ABN is your business's primary identifier. It is used for tax purposes, for dealing with suppliers, and for invoicing clients. When you have an ABN, you can:

- Confirm your business identity to others when ordering goods or services.
- Issue tax invoices that comply with Australian tax laws.
- Claim input tax credits for GST included in your business purchases.
- Register for other taxes like Pay As You Go (PAYG) withholding or Fringe Benefits Tax (FBT) if needed.
- Register a business name (if you trade under a name different from your own).
- Apply for an Australian Domain Name (if relevant).

Having an ABN also makes your business appear more professional and credible to clients who may prefer working with registered entities. Additionally, many companies require you to hold an ABN before they will pay you as a contractor.

Who Is Eligible for an ABN?

Not everyone automatically qualifies. The ATO defines eligibility based on whether you are carrying on an enterprise. In simple terms, you need to be actively involved in a business activity with the intention of making a profit. You may be eligible if you are:

- A sole trader – the most common structure for freelancers and small operators.
- A partnership – two or more people running a business together.
- A company – a separate legal entity registered with the Australian Securities and Investments Commission (ASIC).
- A trust – such as a family trust that conducts a business.
- A superannuation fund that is carrying on an enterprise.
- A government entity or charitable organisation.

You do not need an ABN for simple hobbies or personal activities that do not involve a profit motive. If you are unsure, the ATO provides an eligibility tool on the Australian Business Register (ABR) website that asks a few questions to determine if you can apply.

Step by Step Guide: How to Get an ABN Number

The application process is entirely online and free. The fastest way is through the Australian Business Register (ABR) website. Follow these steps carefully:

1. Gather Your Information

Before you start, have the following details ready:

- Your Tax File Number (TFN) – you must have a valid TFN to apply. If you don't have one, you can apply for a TFN first (it takes up to 28 days to arrive by mail).
- Personal details: full name, date of birth, and your current residential address (not a PO Box).
- Your business structure (sole trader, partnership, company, etc.).
- If you are applying for a company or trust, you will need the ACN (Australian Company Number) or trust details.
- Details about your business activities: what goods or services you provide, the industry, and the expected start date.
- Estimated annual turnover – this helps determine if you need to register for GST (if turnover is $75,000 or more, you must register for GST at the same time).

2. Complete the Online Application

Go to the ABR website (abr.gov.au) and click on "Apply for an ABN". The system will ask a series of questions designed to verify your identity and your eligibility. Answer honestly and accurately. The process typically takes 15–30 minutes. You will be asked about:

- Your name and contact details.
- Your TFN (you can apply for an ABN even if you haven't received your TFN number yet, but you must provide it later).
- Your business name (if you have registered one).
- Your business address and postal address.
- Your main business activity (choose from a list of standard classifications).
- Your estimated turnover and whether you expect to make GST taxable sales.

If you are a sole trader, you will use your own TFN and personal details. If you are a partnership or company, you will need the TFN of each partner or the company TFN respectively.

3. Submit and Wait for Confirmation

Once you submit, the system will check your details in real time. In most cases, your ABN is issued immediately if all information matches government records. You will receive an email or a letter confirming your ABN registration. If your application cannot be instantly verified, it may take up to 20 business days for manual processing. During that time, the ABR may contact you for additional information.

4. Check Your ABN and Update Your Details

After receiving your ABN, log in to the ABR website to verify your details. You can also update your business name, address, or other information at any time. It is essential to keep your details current to avoid penalties or delays in future dealings with the ATO.

Common Business Structures and Their ABN Application Process

Your business structure affects how you apply and what information is needed. Below are the three most common

structures:

Sole Trader

As a sole trader, you are the business. You use your own TFN and apply under your own name (or a registered business name). The process is the simplest. You do not need to register with ASIC unless you choose a business name other than your personal name.

Partnership

If you are in a partnership, you will need the TFN of each partner. The partnership itself can have an ABN, but it does not have a separate legal identity. You will also need to register the partnership name if it differs from the partners' individual names.

Company

A company must first be registered with ASIC and obtain an ACN (Australian Company Number). Then, using that ACN, you can apply for an ABN. The company has its own TFN, which you must apply for separately before the ABN application. This process is more involved and usually requires professional advice.

Do You Also Need to Register for GST?

Many people applying for an ABN wonder if they must register for GST at the same time. The answer depends on your expected turnover:

- If your annual GST turnover is $75,000 or more, you must register for GST and your ABN application will include a GST registration step.
- If your turnover is below $75,000, GST registration is optional. However, if you plan to claim GST credits on your business purchases, you may choose to register voluntarily.
- For nonprofit organisations, the threshold is $150,000.

If you do not register for GST, you cannot charge GST on your invoices, and your clients cannot claim input tax credits for your services. Conversely, registering for GST means you must regularly lodge Business Activity Statements (BAS) and remit GST to the ATO.

What About ABN Withholding and PAYG?

If you are an employer or you pay contractors, you may need to deal with PAYG withholding and the ABN withholding rules. As a general principle, if a contractor does not provide you with an ABN, you are required to withhold 47% of the payment for tax purposes (this is called "no ABN withholding"). Therefore, having an ABN protects your clients from this extra administrative burden and ensures you get paid the full amount.

Common Mistakes When Applying for an ABN

Even a simple ABN application can be rejected if you make these errors:

- Using the wrong TFN: Ensure you use your personal TFN, not a company TFN unless it applies.
- Incomplete business description: Be specific about your activities (e.g., "graphic design services" is better than "design").
- Inaccurate turnover estimates: The ATO uses this to assess your GST obligations; be realistic.
- Using a PO Box as your principal place of business: The ABR requires a physical address (a PO Box can be your mailing address).
- Not updating your details: If you change your address or business structure, update your ABN record promptly.

How Long Does It Take to Get an ABN?

As mentioned, most applications are processed immediately if the information matches government databases. If there are discrepancies or manual checks needed, the process can take up to 20 business days. To avoid delays, ensure your TFN and personal details are up to date with the ATO before applying.

Can You Cancel or Reactivate Your ABN?

Yes. If you stop carrying on your enterprise, you can cancel your ABN through the ABR website. This is important because having an active ABN implies you are still trading, and the ATO may expect you to lodge returns. You can also reactivate a cancelled ABN if you restart your business, but you may need to re apply if the cancellation is old.

Do You Need an ABN as a Hobbyist or Side Hustle?

This is a grey area. If you occasionally sell handmade items or do the odd freelance job, the ATO may consider it a hobby rather than a business. However, if you are regular, organised, and profit driven, you should obtain an ABN. A good rule of thumb: if you intend to make money and operate in a business like manner (e.g., advertising, invoicing, keeping records), you should apply.

Frequently Asked Questions About How to Get an ABN Number

Is there a fee for applying?

No. Applying for an ABN via the ABR website is completely free. Beware of third party websites that charge fees for the same service – they are not official and often provide no added value.

Can I get an ABN without a TFN?

Strictly speaking, no. You must provide your TFN during the application. However, if you do not have a TFN yet, you can apply for a TFN first. Once you receive it, you can then apply for your ABN.

Do I need an ABN to register a business name?

Yes, in most cases. Before you can register a business name with ASIC, you need an ABN. The two processes are linked, and you can often complete both during the same online session.

Can I apply for an ABN as a non resident?

Yes, non residents who carry on an enterprise in Australia can apply for an ABN. The process requires additional identity verification, and you may need to appoint a representative. However, the eligibility criteria are the same.

What if I make a mistake on my application?

If you notice a mistake after submitting, you can log in to the ABR website and update your details. For corrections that affect your eligibility, contact the ATO directly.

Conclusion

Learning **how to get an ABN number**is one of the first and most important steps in starting your business journey in Australia. The process is free, user friendly, and usually instantaneous. By understanding your business structure, gathering the correct information, and applying through the official Australian Business Register website, you can obtain your ABN quickly and start operating legitimately. Remember to keep your details up to date and to consider whether you also need to register for GST

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