

# Starting a business from home

## Information sheet

Running a business from home has a lot of benefits, particularly in regard to having a good work/life balance. It is also a great way to establish and maintain connections to the community you live in and to reduce your impact on the environment.

Starting any kind of business requires thorough research and planning. There is a great deal of information available to assist people to do this and also a number of small business management courses available through TAFEs, local councils and private providers. A good place to start is [www.business.vic.gov.au](http://www.business.vic.gov.au) which is full of information for small businesses.

However, if you are starting your business with the intention of running it from home in the medium to long term, there are some additional issues that you will need to explore.

### Some other questions you should be asking...

#### Your suitability

- Are you suited to working from home? Are you happy working alone? Do you have the self-discipline to keep on task and not be distracted by activities to do around the home? Can you separate your work and home spaces, and your business and home concerns? Is your family supportive?

#### Insurance

- Does your home insurance cover your business equipment or losses caused by business use? Does your home insurance public liability extend to matters relating to your business activity? Have you thought of how you will manage if illness or injury prevents you from working over an extended period of time and have you considered income protection insurance?

#### Tax

- You may be able to claim a proportion of your household costs such as rates, power and water, as business tax deductions for tax purposes. However, are you aware of what the Capital Gains Tax implications of this are when you sell your house?

#### OH&S

- Does your home have adequate space for your home office and storage requirements? Is it a safe place to work? Even if your business is a basic office with a desk and computer, you'll need to consider proper lighting, ergonomically correct seating, and so on.

#### Support services

- Do you have reliable access to the services needed by your business: broadband and mobile phone access, courier services, ease of access to suppliers and clients? Have you access to reliable and competent computer support?

#### Marketing and promotion

- Perceptions of home-based businesses can still be negative in some areas of business and the community, and not having a main street shopfront raises challenges in getting your business known. Have you planned and budgeted for the development of a professional image? What strategies will you use to promote your business to your target market?

#### Business networks

- Are you aware of local business networks that you can join? Working from home can sometimes be quite isolating from both a personal and a business perspective. Your local network can provide you with information, support and potential business allies.

Much of this is common sense. However it is important not to underestimate the impact of not getting these questions dealt with before you start. You should also be realistic about the funds you need to get your business started and to support you until you start to make a living from it. So take the time to do your research, talk to professional advisers and other home-based business owners, and make sure you know exactly what you are getting into. Make sure your decisions are well informed. A great place to start is the Nillumbik HomeBiz Network. The NHBN runs regular member nights and business breakfasts. Go to their website at [www.hbb.org.au](http://www.hbb.org.au) to find out more.



### Are you permitted to operate your business from your residence?

The Local Planning Scheme is fairly clear on this matter – see reverse for an outline of the Home Occupation provisions. However, depending on your business, you may need to comply with other regulations. For example, if your business involves handling of food, you will need to comply with the Food Safety Act. Or, if you are involved in building and construction you are likely to need to register with the Building Practitioner Board.

Information about which regulations apply to your business type can be found at the Victorian government's [Business Licence Information Service \(BLIS\)](#).

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## Town planning requirements for home occupation

Operating a business from your home does mean meeting some town planning requirements and in some circumstances will require a permit. The purpose of these requirements is to ensure the neighbourhood amenity is not adversely affected by an occupation run in or from a residential dwelling.

### You DO NOT need a town planning permit if the home occupation meets the following requirements:

- The person conducting the home-based business uses the dwelling as their principal place of residence.
- No more than one person who does not live in the dwelling may work in the occupation.
- The gross floor area used in conducting the occupation including the storage of any materials or goods must not exceed 50 square metres or one-third of the gross floor area of the dwelling, whichever is the lesser.
- The occupation must not impose a load on any utility greater than normally required for domestic use.
- The occupation must not adversely affect the amenity of the neighbourhood in any way including:
  - the appearance of any building, works or materials used
  - the parking of motor vehicles
  - the transporting of materials or goods to or from the dwelling
  - the hours of operation
  - electrical interference
  - the storage of chemicals, gasses or other hazardous materials
  - emissions from the site.
- No motor vehicle may be serviced or repaired for gain.
- Only one commercial vehicle (a commercial goods vehicle, commercial passenger vehicle or tow truck within the meaning of the *Transport Act 1983*), not exceeding two tonnes capacity and with or without a trailer registered to a resident of the dwelling may be present at any time. The vehicle must not be fuelled or repaired on the site.
- No goods other than goods manufactured or serviced in the home occupation may be offered for sale.
- Materials used or goods manufactured, serviced or repaired in the home occupation must be stored within a building.
- No goods manufactured, serviced or repaired may be displayed so that they are visible from outside the site.

### You DO require a permit if:

- You wish to have two people who do not live in the residence, working in your home occupation.
- You wish to operate from an area larger than 50 square metres, but no more than a total area of 100 square metres or one third of the gross floor area of the dwelling, whichever is the lesser.
- You wish to have one additional commercial vehicle (a commercial goods vehicle, commercial passenger vehicle or tow truck within the meaning of the *Transport Act 1983*), not exceeding two tonnes capacity and with or without a trailer registered to a resident of the dwelling, to be present at any time.

If your planned business does not meet any of the requirements listed above, you need to contact Council's Planning Department on 9433 3343 for further advice.



### Factors Council will consider before granting a permit:

- whether there is a need for additional parking or loading facilities
- the effect of any vehicle parking, storage or washing facilities on the amenity and character of the street
- whether the site is suitable for the particular home occupation and is compatible with the surrounding use and development
- whether there is a need for landscaping to screen any outbuildings or car parking or loading areas or any other area relating to the home occupation.

### What kind of advertising signage can I have?

In residential zones, home-based businesses are permitted to have signage which displays business identification information. **A total of 0.2 square metres of advertising is permitted without a planning permit.**

The information which is acceptable on the sign is:

- business name
- short service description
- contact number/website.

If you have any further enquiries regarding running your business in the Shire of Nillumbik call Julie French, Tourism & Business Development Coordinator, on 9433 3315 or email [Julie.French@nillumbik.vic.gov.au](mailto:Julie.French@nillumbik.vic.gov.au).