

NEW TO FARMING · PART 4 OF 6

Setting up a farm business: a starter checklist

By Nick Clunes · Updated 26 October 2026 · 9 minute read

SHORT ANSWER

Before you buy stock, get an ABN, a Property Identification Code (PIC) for the land, LPA accreditation for cattle, sheep or goats, a separate bank account and the right insurance. Before you sell, make sure stock are tagged for NLIS and you can fill in a National Vendor Declaration. Then keep every record for at least five years and compare your books with your budget each month.

The ewes are booked for the sale on Thursday. Then the agent asks for your PIC, and you realise you haven't got one. Setting up a farm business means a handful of registrations and records, and a few of them have to be done before the stock arrive.

I'm Nick Clunes from Farm CFO by Clunes Rural. I started as a banker at Greater Bank and have worked in commercial and equipment finance since 2018. This is the tick list I'd give a new livestock farmer. I've checked each item against the official page as at October 2026. Rules differ between states, so check your own state's agency too. This is general information, not tax or legal advice.

Before you buy stock

Choose a business structure

- ☐ Talk to an accountant and a solicitor about which structure fits you.

There are four main structures. Here's each in one line, from the ATO and business.gov.au.

- **Sole trader.** You own the business and are legally responsible for all of it, and the income goes on your own tax return.
- **Partnership.** Two or more people share the income or losses, each partner pays tax on their share, and the partnership has its own tax file number.

- **Company.** A separate legal entity that pays its own tax, though directors can be liable for some company debts.
- **Trust.** A trustee runs the trust, and beneficiaries usually pay tax on the income paid out to them.

I don't recommend one over another. The right choice depends on your family, your plans and your risk, so get advice before you set one up.

Get an ABN

- ☐ Apply for an Australian Business Number (ABN) online at abr.gov.au.

You must be carrying on an enterprise to be entitled to an ABN. The ABR may ask for evidence that you've started, or taken steps to start, your business. If you're approved, you get your 11-digit ABN straight away.

Work out if you need GST

- ☐ Check your expected sales against the GST threshold with your accountant.

GST is the 10% tax on most goods and services. The ATO says you must register within 21 days once your GST turnover reaches \$75,000 or more. GST turnover is your gross business income, minus any GST. You test it on the current month plus the past 11 months, or the current month plus the next 11 months.

If you're under the threshold, registering is optional. If you choose to register, you generally must stay registered for at least 12 months. RIC loans, such as the AgriStarter Loan, also require the business to be registered for GST. How GST applies to your sales and purchases varies, so ask your accountant.

Open a separate business bank account

- ☐ Open an account just for the farm, and put every farm sale and bill through it.

It keeps the books clean and makes it easy to see the farm's own cashflow. Your accountant and any lender will thank you.

Get a Property Identification Code (PIC)

- ☐ Get a PIC for every property where you'll keep stock, or confirm the one already on it.

A PIC is a unique code for a piece of land with livestock on it. In NSW, every property where livestock are kept needs one. That means any number of cattle, sheep, goats, pigs, horses, deer or camelids, 100 or more poultry, or 10 or more emus or ostriches. Local Land Services (LLS) assigns PICs in NSW. Ring 1300 795 299 or email your local LLS office for the form.

NSW DPI says PICs are usually renewed every three years. The landholder, or whoever runs stock on the land, such as a lessee, pays the renewal fee. Sometimes it's included in LLS rates. Other states use their own agency, such as Agriculture Victoria. If your stock are on agistment, they generally use the agistment property's PIC.

Get LPA accredited (cattle, sheep and goats)

- ☐ Apply for Livestock Production Assurance (LPA) accreditation through Integrity Systems Company (ISC).

LPA is the on-farm food safety program for red meat. You need it to get National Vendor Declarations, which you'll need to sell. As at October 2026:

- You complete an online Self-Assessment, agree to a declaration and pay the fee. ISC says the questions take most people less than an hour.
- The fee is \$90 plus GST. Offline applications also pay a \$56 plus GST processing fee.
- You renew every two years.
- From 1 September 2026, you must upload or create a farm biosecurity plan when you get accredited or renew. The Self-Assessment also asks for a property risk assessment and an animal welfare plan.

Sort out insurance

- ☐ Talk to an insurance broker or insurer about what you need, and check what your lease asks for.
- ☐ If you'll employ anyone, check whether you need workers compensation insurance.

Your lease may set out what insurance you must hold. Service NSW for Business says that if you have employees in NSW, you probably need a workers compensation policy. You can check if you're exempt through icare or the State Insurance Regulatory Authority. Other states have their own schemes.

Plan for farm safety

- ☐ Read the SafeWork NSW "First steps to farm safety" guideline, or your state regulator's version.
- ☐ Walk the farm, list the hazards and decide how you'll control each one.

SafeWork NSW says farm owners and managers, including self-employed operators, must provide a safe workplace so far as is reasonably practicable. That covers workers, family, contractors and visitors. Its 2026 guideline sets out the first steps. Talk with the people who work with you, find the hazards, control the risks and induct new people. Then make sure someone always knows where you are, and have an emergency plan.

Quad bikes are a major cause of death and serious injury on farms. Safe Work Australia says all new and imported second-hand quad bikes must have operator protection devices fitted, from 11 October 2021. It also says children under 16 shouldn't ride adult quad bikes.

Before you sell

Tag your stock for NLIS

- ☐ Order the right NLIS tags, printed with the PIC of the property where they'll be put on.
- ☐ Tag stock before they leave the property.

NLIS is the National Livestock Identification System, which tracks stock from property to property. The rules differ by species and state.

- **Cattle.** In Victoria, for example, cattle must have an NLIS electronic tag before leaving a property, whatever their age. Check your own state's rules.
- **Sheep and goats in NSW.** Those born on or after 1 January 2025 must have an electronic tag (eID). From 1 January 2027, all sheep and goats must have an eID before they leave any property.
- **Pigs.** Every pig must be identified before it moves, including pets. Pigs under 25 kg need an NLIS ear tag. Heavier pigs are preferably branded on the shoulder, or can be tagged instead.

Be ready to fill in movement papers

- ☐ For cattle, sheep and goats, set up access to eNVDs through your LPA account, or order a paper NVD book.
- ☐ For pigs, use a PigPass NVD.

A National Vendor Declaration (NVD) is a legal document that goes with stock each time they change hands. It records their food safety and treatment status. Only LPA-accredited producers can get NVDs. ISC says eNVDs are free for LPA-accredited producers.

For pigs, the seller completes a PigPass NVD up to 5 days before the move. The receiver records the arrival on the PigPass database within 2 days.

Record movements on the database

- ☐ Agree who will record each movement, and make sure it's done within 2 days.

ISC says every time stock move off a PIC, the movement must be recorded on the NLIS database within 2 days. That includes moves between two properties you own. For property-to-property moves, the person receiving the stock usually records it.

Running the books

Keep the right records

- ☐ Keep records of all sales, all costs, bank statements, stock bought and sold, and GST if you're registered.
- ☐ Keep them for at least five years.
- ☐ Keep NVD copies for seven years (cattle, sheep and goats in NSW) and PigPass NVDs for three years.

business.gov.au says most business records must be kept for 5 years, and company records for 7 years. The ATO recommends digital record keeping, and scanned copies are fine if they're clear and accurate. Back them up.

Use bookkeeping software

- ☐ Pick bookkeeping software that your accountant can work with, and connect it to your business bank account.
- ☐ Code every transaction each week or month, so the books never pile up.

Your accountant will have a preference. Most farm businesses use cloud software that pulls in the bank feed, so you only have to sort each line.

Keep a stock record

- ☐ Keep a running count of stock: opening numbers, births, purchases, sales and deaths.

It's needed for your tax return, and lenders often ask for it too. It's also how you find losses early.

Compare the books with your budget

- ☐ Each month, put actual income and costs next to your budget and cashflow.

This is where the books start paying for themselves. You'll see a problem months before it reaches the bank account.

A worked example: Sam's set-up timeline

This is invented, and the details are illustrative. Sam is leasing 100 ha and plans to buy 300 first-cross ewes in June. Sam's budget projects \$98,055 of sales in the first 12 months. That's above \$75,000, so Sam's accountant says to register for GST along with the ABN.

When	Task	Cost noted
March	Meet accountant and solicitor about structure and the lease	Their fees
April	Sign lease, apply for ABN, register for GST, open business account	Bank fees
April	Apply to LLS for a PIC, or have the PIC on the leased block confirmed	As advised by LLS
May	LPA accreditation, with the biosecurity and welfare plans	\$90 plus GST (\$99 incl. GST)

When	Task	Cost noted
May	Insurance in place, safety walk-through of the block	Premium as quoted
June	Buy ewes, record the move onto Sam's PIC within 2 days	
July	Bookkeeping software set up with bank feed	Subscription

Sam started three months before the stock arrived. That left time for the slow parts, like the lease and the accountant's advice.

Where to get help

- **The ATO** for ABN, GST and record keeping rules, and **an accountant** for your own tax and structure.
- **A solicitor** for your structure, lease and any partnership agreement.
- **Local Land Services** (1300 795 299) for your PIC and NLIS questions in NSW, or your state's agency elsewhere.
- **Integrity Systems Company** for LPA, NVDs and NLIS.
- **SafeWork NSW**, or your state's regulator, for farm safety.
- **The Rural Financial Counselling Service** for free help if you're in or near hardship: 1300 771 741.

Next, read your first farm budget and getting started in farming. If you're borrowing, see farm loans explained and RIC loans explained. Start a cashflow with the free cashflow forecaster or the Excel templates. If you'd like your numbers checked before you go to a lender, the Farm Health Check is \$850 plus GST.

Common questions

Do I need an ABN to start a farm business?

To get one, your business must be carrying on an enterprise, and the ABR may ask for evidence that you've started or taken steps to start. You apply online at abr.gov.au. You'll need an ABN for most farm paperwork, and RIC loans require one.

When do I have to register for GST?

The ATO says you must register within 21 days once your GST turnover reaches \$75,000 or more. That's tested on the current month plus the past 11 months, or the current month plus the next 11 months. Below that, it's optional, but you generally stay registered for at least 12 months if you choose to. Ask your accountant what suits you.

Do I need a PIC if I'm only leasing the land?

Every property where livestock are kept needs a PIC. In NSW, Local Land Services assigns them, and the person running livestock on the land, such as a lessee, can be the one who pays the renewal fee. If your stock are on agistment, they generally use the agistment property's PIC.

What is LPA and do I need it?

Livestock Production Assurance is the on-farm food safety program run by Integrity Systems Company. You need LPA accreditation to get National Vendor Declarations, which go with cattle, sheep and goats when they change hands. As at October 2026, the fee is \$90 plus GST and you renew every two years.

Which business structure should I choose?

I don't recommend one, because it depends on your family, your plans, your tax and how much risk you're taking on. The four main options are sole trader, partnership, company and trust. Get advice from an accountant and a solicitor before you set one up.

Sources

1. Australian Business Register, Applying for an ABN
2. ATO, Registering for GST
3. ATO, Choosing your business structure
4. business.gov.au, Business structures
5. business.gov.au, Record keeping
6. NSW Local Land Services, Apply for a Property Identification Code
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8. Agriculture Victoria, Owning, keeping and moving cattle
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13. Integrity Systems Company, Renew LPA accreditation
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17. SafeWork NSW, First steps to farm safety guideline (2026)
18. Safe Work Australia, Agriculture duties: quad bikes
19. Regional Investment Corporation, AgriStarter Loan

General information only, not financial, tax or credit advice. Worked examples use made-up figures.