

## **Business obligations in the New Financial Year**

*At the start of a new financial year, businesses often find themselves at their busiest as they handle their obligations that are coming due. While every business has different needs, everyone must ensure they have done the right thing by their employees.*

### **Single Touch Payroll (STP) finalisation**

Employee STP data needs to have already been finalised, as the due date for this data was 14 July. This information is used to complete their tax returns. If you have both closely held payees and arm's length employees, your finalisation declaration for your closely held payees is due by 30 September each year. If you can't make a finalisation declaration on or before the due date, you must apply for a deferral.

You must lodge a finalisation declaration for all employees you've paid and reported through STP during the financial year. This includes those employees who may have only worked for part of the financial year, for instance, terminated employees and casuals.

### **PAYG withholding**

You must lodge a PAYG withholding annual report for all payments not reported and finalised through STP.

### **Tax tables**

Use the PAYG withholding tax tables or tax withheld calculator when determining how much to withhold from your payments to your employees or other payees in the new financial year.

### **Super guarantee (SG) rate**

The SG rate has increased from 10.5% to 11% from 1 July 2023. Ensure your payroll and accounting systems are updated to include this.

## Taxable payments annual report

Businesses and Government entities who pay contractors may be required to report these payments and lodge a taxable payments annual report by (TPAR) by 28 August 2023. Contractors can include subcontractors, consultants and independent contractors. They can operate as sole traders (individuals), companies, partnerships or trusts. TPAR is applicable to builders, cleaning contractors, and IT consultants, among other industries, and the list is growing every year.

Businesses should also consider the following general housekeeping tips to smooth out the start of the new financial year:

1. Cash flow is the lifeblood of a business, and having a healthy cash flow is crucial to long-term success. There are several ways in which you can review your cash flow at the start of the financial year:
  - a. Create a cash flow statement: This provides an overview of all the money flowing in and out of your business over a certain period, usually a quarter or a month.
  - b. Create a cash flow forecast: This is an estimation of how much cash will be flowing in and out of your business in the future, usually covering the next financial year.
2. Review your business plan and marketing plan to ensure that it is still fit for purpose for the year ahead and your business's needs. This could include:
  - a. Reassessing your short- and long-term goals
  - b. Reviewing your sales and marketing budgets
  - c. Reviewing which strategies have been working and which need to be revisited
  - d. Reassessing the market and the competition
  - e. Identifying new business opportunities.