WINTER 2025

BUSINESS & PROFIT MATTERS

Strategies for managing your business

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Crafting New Financial Year Resolutions for Your Business

The start of a new financial year is the perfect opportunity to reset your business goals and refocus your strategy. Just like personal resolutions, business resolutions can help drive clarity, accountability, and growth — but they work best when they're specific, realistic, and aligned with your long-term vision.

Start by **reviewing last year's performance**. What worked? What didn't? Use those insights to identify areas for improvement, whether it's cash flow management, marketing, operations, or team productivity.

Next, **set measurable goals**. That might mean improving your profit margin by 10%, automating a key process, or launching a new service. Don't forget to include financial housekeeping in your resolutions, such as staying on top of BAS lodgements or reviewing your pricing structure.

Finally, **schedule regular check-ins** to track your progress. Resolutions aren't just for July — they're a roadmap for the year ahead.

Need help turning your resolutions into results?

Your accountant can help you build a plan and stay accountable throughout the financial year. It's a smart way to start strong and stay focused.

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What Failing To Comply Could Cost Your Business

When running a business, it's easy to focus on growth, service delivery, and customer satisfaction, but getting your obligations right when it comes to paying employees and contractors is just as important.

Failing to comply with workplace laws or tax requirements doesn't just risk unhappy workers — it can also lead to serious penalties, audits, and reputational damage.

Here's a breakdown of the potential consequences if your business fails to pay staff or contractors correctly, and how you can avoid falling into these costly traps.

1 Penalties for Underpaying Employees

The Fair Work Ombudsman (FWO) enforces Australia's workplace laws, including minimum pay, leave entitlements, and conditions under modern awards. If your business underpays staff — even unintentionally — you could face:

- **Back payments:** You may be required to repay the full underpaid amount, including superannuation.
- **Fines and infringement notices:** The FWO can issue fines of up to $18,780 per breach for individuals and $93,900 per breach for companies, and more if conduct is found to be deliberate or systematic.
- **Litigation and court orders:** In serious cases, court proceedings may be initiated, and penalties can exceed hundreds of thousands of dollars.
- **Damage to reputation:** Public naming and media attention can seriously impact your brand.

2 Penalties for Incorrectly Engaging Contractors

Treating an employee as a contractor when they should be classified as an employee — commonly known as **sham contracting** — can result in:

- **Fines and compensation orders** under the Fair Work Act.
- **Superannuation Guarantee liabilities:** If someone is determined to be an employee, your business may owe unpaid super contributions, plus interest and penalties.
- **Unpaid leave entitlements:** You may also owe annual or personal leave if the worker should have been classified as an employee.
- **Legal costs:** Defending against claims can become expensive, even if the misclassification was not intentional.

3 ATO Penalties and Withholding Issues

If your business fails to:

- Withhold the correct amount of tax from wages or payments,
- Pay superannuation on time, or
- Report using Single Touch Payroll (STP),

The ATO may impose administrative penalties, interest charges, and disallow tax deductions for those payments.

Avoiding These Pitfalls

- **Stay informed about award changes:** Regularly check the Fair Work website or consult with your HR adviser or accountant to stay up-to-date with the latest updates.
- **Use reliable payroll software:** This helps automate award rates, super contributions, and STP reporting.
- **Clarify worker classifications:** When in doubt, seek professional advice to determine whether a worker should be treated as an employee or contractor.
- **Perform regular compliance audits:** A simple review of pay rates, contracts, and super obligations can save a lot of trouble down the line.

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Paying your employees and contractors correctly isn't just a legal requirement; it's a sign of a well-managed business. If you're unsure whether your business is meeting its obligations, don't wait for a penalty notice or a disgruntled worker to find out.

Speak to your accountant or adviser to ensure you're on solid ground, and start the year with confidence.

Thinking of Buying a Vehicle for Your Business? Key Considerations Before You Commit

Purchasing a vehicle for your business can be a strategic move, whether for transporting goods, visiting clients, or simply enhancing operational efficiency.

But before you rush into a purchase, it's essential to consider how the decision fits with your business needs, financial position, and tax obligations.

Here are the key factors every business owner should consider before purchasing a work vehicle.

1 Business Use vs Private Use

Before you buy, think about how the vehicle will be used. If it's going to be used for both business and personal travel, you'll need to keep accurate records — such as a logbook — to claim only the business-related expenses. The ATO requires this to calculate eligible deductions for things like fuel, servicing, and depreciation.

2 Tax Implications

There are limits to what you can claim. For the 2025–26 financial year, the car limit for depreciation is **$69,674**. Even if your vehicle costs more, that's the maximum value you can use for tax depreciation calculations.

If you're registered for GST, the maximum GST credit you can claim is **$6,334** — 1/11 of the car limit. And if you're looking at a high-end model, be aware of **Luxury Car Tax (LCT)**. Vehicles priced above the LCT thresholds will attract a 33% tax on the amount above the limit — and this tax isn't deductible or eligible for GST credits.

3 Ownership Structure

Will the vehicle be purchased in the name of the business, a company, a trust, or under your personal name? The ownership structure can affect how you claim expenses, manage liability, and handle resale or fringe benefits tax (FBT) obligations.

4 Finance Options

Weigh up whether to buy outright, lease, or finance. Each option has different cash flow and tax implications, so it's worth talking to your accountant about what's most appropriate for your business structure and goals.

A work vehicle is a significant investment. Speaking with your accountant or adviser before you purchase can help ensure you understand the full financial and tax picture — and choose a vehicle that works just as hard as you do.

Time-Saving Tips For Small Businesses In The New Financial Year

Running a small business often means wearing many hats — from customer service and admin to marketing and finance.

With time being one of your most valuable resources, finding ways to streamline tasks and improve efficiency can make a big difference to your bottom line and work-life balance.

Here are some practical time-saving strategies small businesses across a variety of industries can implement today.

1 AUTOMATE ROUTINE TASKS

Automation is no longer just for large corporations. Affordable tools now exist to help small businesses automate everything from appointment bookings to invoice reminders.

- **Email marketing:** Platforms like Mailchimp or ActiveCampaign allow you to set up automated campaigns for newsletters, promotions, or client follow-ups.
- **Invoicing and payments:** Software such as Xero or QuickBooks can send recurring invoices, payment reminders, and even reconcile transactions automatically.

2 USE ONLINE SCHEDULING TOOLS

If your business books meetings, consultations, or appointments, online scheduling software can save hours of back-and-forth emails. Tools like Calendly or Acuity allow clients to book directly into your calendar, syncing with your availability in real time.

3 TEMPLATE YOUR COMMUNICATIONS

Whether you're responding to enquiries, quoting jobs, or onboarding new clients, creating a library of email and document templates ensures consistent messaging and frees up time.

Bonus: *Many email clients allow you to create "canned responses" to speed things up further.*

4 DIGITISE PAPERWORK

Going paperless reduces clutter and speeds up admin. Consider:

- Online document signing platforms like DocuSign
- Cloud storage for easy file access
- Digital forms instead of paper-based customer intake forms

5 DELEGATE AND OUTSOURCE SMARTLY

Not every task needs to be done in-house. Outsourcing bookkeeping, IT support, or social media management can free you up to focus on business growth.

START SMALL SAVE BIG

You don't need to overhaul your operations overnight. Even implementing one or two of these time-saving tools or systems can lead to big efficiency gains over time.

If you're not sure where to start, a chat with your accountant or adviser can help identify what will deliver the most value for your unique business.

Creating Right-to-Disconnect Policies That Work for Your Business

*As workplace expectations continue to shift, more Australian businesses are embracing **right-to-disconnect policies** — and not just as a perk, but as a practical step toward supporting employee wellbeing and reducing burnout. These policies help clarify when staff are expected to respond to after-hours contact, creating healthier boundaries while maintaining productivity and professionalism.*

But creating an effective policy isn't as simple as downloading a template — it needs to reflect your team's responsibilities, industry demands, and workplace culture.

Importantly, from **26 August 2025**, employees at **non-small businesses** (with 15 or more employees) will gain the **legal right to refuse unreasonable contact from employers or third parties outside of working hours**. This right will extend to **small businesses from 2026**.

By developing and implementing a right-to-disconnect policy ahead of these changes, your business can stay ahead of compliance requirements while reinforcing a culture that values work-life balance.

Here's how to design a right-to-disconnect policy that's both practical and tailored to your workplace.

UNDERSTANDING WHAT THE RIGHT TO DISCONNECT MEANS

At its core, the right to disconnect empowers employees to **switch off from work outside of scheduled hours** without penalty or pressure. This doesn't mean staff can't ever respond after hours — it means they're **not expected to**, unless there's a legitimate business need.

Some states and sectors are starting to formalise this right through workplace agreements or legislation, so it's smart for employers to stay ahead of the curve.

IDENTIFY WHAT MAKES SENSE FOR YOUR BUSINESS

Before drafting a policy, consider:

- Do your staff work set hours, or is there flexibility?
- Are there any roles that require after-hours availability (e.g. on-call or client-facing positions)?
- What communication tools are used, and how often do after-hours messages occur?

Your policy should reflect the nature of your business and include reasonable exceptions.

CLEARLY DEFINE EXPECTATIONS

A good policy should explain:

- When employees are and aren't expected to respond
- How urgent matters should be communicated
- What channels (email, messaging apps, phone) are appropriate
- Who is covered by the policy (e.g. all staff or specific departments)

Clarity prevents misunderstandings and reinforces a healthy boundary between work and personal time.

EDUCATE LEADERS AND MODEL THE BEHAVIOUR

Managers and business owners play a crucial role. If leadership consistently sends after-hours messages, it sets the tone. Consider using scheduled emails or including a policy statement that messages sent after hours aren't expected to be answered immediately.

REVIEW AND ADAPT AS NEEDED

A right-to-disconnect policy should evolve with your business. Revisit it regularly to ensure it continues to suit your workflows, staffing levels, and client needs.

Implemented effectively, a right-to-disconnect policy fosters a culture of respect, enhances employee satisfaction, and helps prevent burnout.

If you're unsure how to balance operational needs with wellbeing, it may be worth seeking HR or legal advice to develop a policy that works — and works well — for your business.

Data Security in the New Financial Year: What Business Owners Need to Know

As the new financial year begins, data security should be at the top of every business owner's checklist.

With increasing reliance on digital tools and growing cyber threats, protecting customer, employee, and financial information is no longer just good practice — it's a compliance requirement.

Whether you run a small business or a growing enterprise, here's what you need to be across to stay secure and compliant in the year ahead.

01 Review Your Privacy Obligations

If your business collects personal information (including names, contact details, or payment data), you may have obligations under the Privacy Act 1988. This applies to most businesses turning over $3 million or more annually, but even smaller businesses may be subject to these laws depending on their activities.

Ensure you have:

- A clear and accessible Privacy Policy
- Consent mechanisms for collecting and using data
- Secure systems to store and dispose of personal information

02 Stay on Top of Cybersecurity Practices

Cyberattacks are growing more sophisticated, and small businesses are often targeted due to weaker defences. Key actions include:

- **Updating software regularly** to patch vulnerabilities
- Using **multi-factor authentication (MFA)** for all accounts
- Backing up data regularly, and storing backups securely
- Training staff on phishing scams and safe online behaviour

03 Secure Financial and Client Data

If you store or process sensitive financial or client information — such as payroll, invoices, or tax records — this data must be handled with care. Use secure accounting software, restrict access only to necessary team members, and review who has login credentials to cloud-based platforms.

04 Prepare for a Data Breach

Under the **Notifiable Data Breaches scheme**, eligible businesses must report serious data breaches to the Office of the Australian Information Commissioner (OAIC) and affected individuals. Make sure your team knows what to do if data is lost, leaked, or accessed without authorisation.

05 Schedule a Security Audit

The start of the financial year is an ideal time to audit your data security practices. Whether it's reviewing internal processes or consulting an IT professional, taking a proactive approach can save you from costly disruptions or regulatory penalties.

Data security isn't just an IT issue; it's a business responsibility.

By investing time now to assess and strengthen your protections, you can stay compliant, build customer trust, and confidently focus on growing your business this financial year.

Minimum Wage to Rise by 3.5% from 1 July 2025: What Employers Need to Know

*The Fair Work Commission has confirmed a 3.5% increase to the national minimum wage, effective from **1 July 2025**.*

This annual adjustment will see the minimum hourly rate rise from $24.10 to $24.95, providing affected workers with a weekly increase of approximately $32, or between $1,536 and $1,664 more annually (depending on the number of hours worked).

This change applies to employees covered by the national minimum wage as well as those under modern awards that use minimum wage benchmarks.

If your staff are currently on award or minimum rates, you must review your payroll setup to ensure compliance from the first full pay period on or after 1 July.

What You (The Employer) Should Do Now:

CHECK PAY RATES:
Review all employee wages against the new minimums and award classifications.

UPDATE PAYROLL SYSTEMS:
Ensure your software reflects the updated rates before your next pay run in July.

COMMUNICATE WITH STAFF:
Let affected employees know about the change and how it may impact their pay.

MONITOR COMPLIANCE: Stay up to date with Fair Work guidance to avoid underpayment risks.

Need help adjusting payroll or understanding award obligations? Reach out to your accountant or HR adviser.

The minimum hourly rate rise from $24.10 to **$24.95**

Understanding Mergers and Upcoming Regulatory Changes in Australia

Thinking of merging or acquiring another business? Major changes to Australia's merger laws are coming – and they could reshape how deals get done from 2026.

WHAT IS A MERGER?

A merger occurs when two or more companies combine to form a single entity, aiming to enhance efficiencies, expand market reach, or achieve strategic objectives.

While mergers can offer significant benefits, they also raise concerns about reduced competition, potential monopolies, and impacts on consumers.

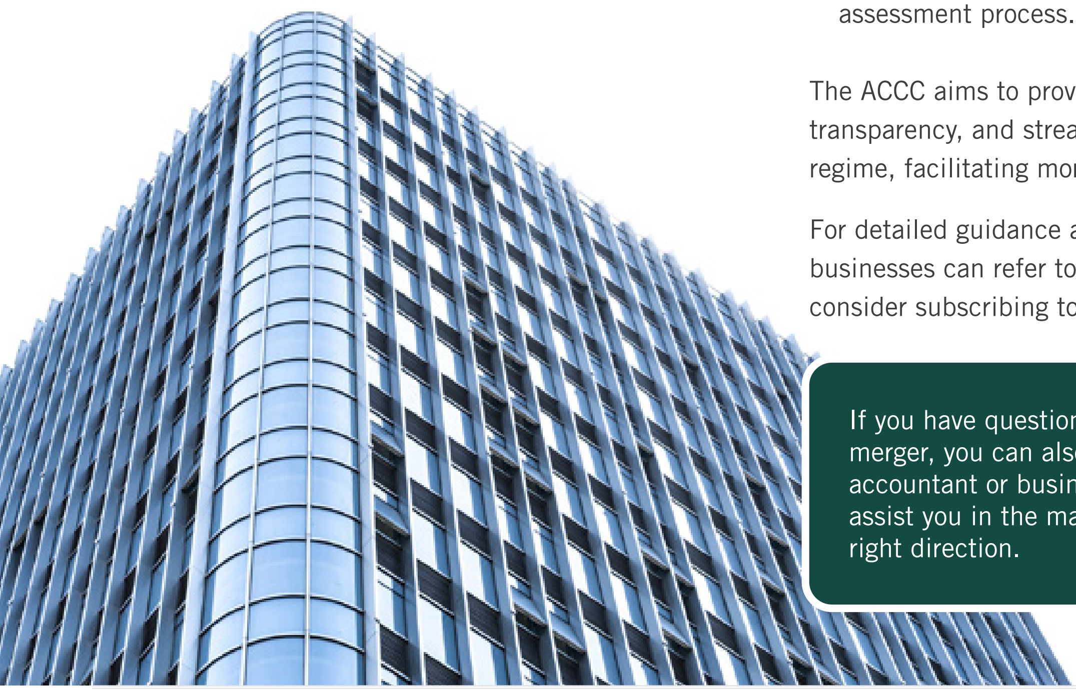
CURRENT MERGER CONTROL IN AUSTRALIA

Presently, Australia's merger control operates on a voluntary basis.

Businesses are not required to notify the Australian Competition and Consumer Commission (ACCC) of proposed mergers. However, they may seek the ACCC's informal review to assess whether a merger might substantially lessen competition under Section 50 of the Competition and Consumer Act 2010.

UPCOMING CHANGES: NEW MANDATORY MERGER CONTROL REGIME

Significant reforms are set to reshape Australia's merger control framework:



- **Voluntary Notification Period:** Starting 1 July 2025, businesses can opt to notify the ACCC of proposed mergers under the new regime.
- **Mandatory Notification:** From 1 January 2026, it will become compulsory for businesses contemplating acquisitions that meet specified thresholds to notify the ACCC and obtain approval before proceeding.

These changes transition Australia's merger control from a judicial enforcement model to a primarily administrative one, granting the ACCC the authority to assess and decide on notified mergers.

IMPLICATIONS FOR BUSINESSES

Businesses planning mergers or acquisitions should:

- **Stay Informed:** Understand the new notification thresholds and requirements.
- **Engage Early:** Initiate discussions with the ACCC early in the merger planning process to ensure compliance and address potential competition concerns.
- **Prepare Documentation:** Gather necessary information and documentation to support the notification and assessment process.

The ACCC aims to provide clearer timelines, greater transparency, and streamlined processes under the new regime, facilitating more efficient merger assessments.

For detailed guidance and updates on the merger reform, businesses can refer to the ACCC's official resources and consider subscribing to merger reform updates.

If you have questions regarding a potential merger, you can also speak with your accountant or business adviser - we may be able to assist you in the matter, or at least point you in the right direction.