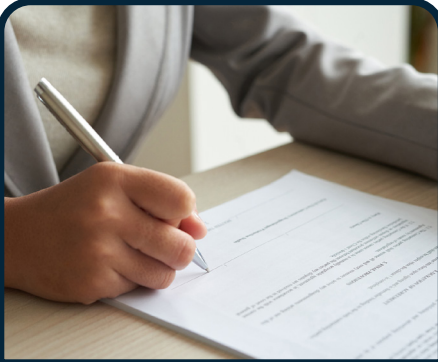


BUSINESS & PROFIT MATTERS

Strategies for managing your business



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What's A Non-Compete Clause?

A non-compete clause is a common feature in Australian employment contracts.

It's designed to stop employees from working for a competitor or starting a competing business for a certain period after leaving. The idea is to protect a business's confidential information, client relationships, and trade secrets.

However, these clauses can sometimes be restrictive, limiting employees' ability to find new work.

That's why Australian courts only enforce non-compete clauses if they are reasonable.

This means they must be fair regarding time, location, and scope.

For example, a six-month restriction in the same city might be enforceable, but a nationwide ban for years would likely be excessive.

Non-compete clauses were traditionally reserved for senior roles, but in recent years, they've been used

across various industries, even for employees without access to sensitive information. This has led to concerns that these clauses unfairly limit job opportunities and career growth.

In recognition of these concerns, the Australian government announced in the 2025 federal budget plans to ban non-compete clauses for employees earning less than \$175,000 per year, a move set to take effect from 2027. This reform aims to enhance job mobility and wage growth for over three million workers, including those in childcare, construction, and hairdressing sectors.

It's worth reviewing your employment contracts to ensure they align with these changes if you're an employer. Knowing your rights can help you confidently navigate job transitions if you're an employee.

If you're unsure about a non-compete clause in your contract, seeking legal advice is always a good idea!



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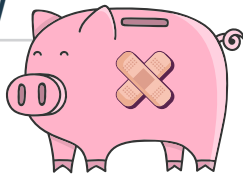
Remobilising Your Business After A Forced Shutdown

Unexpected disasters - whether natural events like floods or bushfires, or economic crises - can force businesses into sudden shutdowns. Restarting after such disruptions can feel overwhelming, but with a structured approach, you can get back on track efficiently.

Here are key steps to remobilising your business and making the process smoother.

01 Assess the Damage and Prioritise Recovery

Before reopening, thoroughly assess your business's financial and physical condition. Identify immediate needs, such as repairing premises, replacing inventory, or securing alternative workspaces if necessary. Engage with your insurer early to fast-track claims and determine what support you're eligible for.



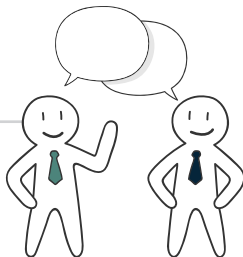
02 Review Your Finances and Seek Assistance

Cash flow can be tight after a shutdown. Review available financial reserves and explore relief options such as government grants, disaster assistance loans, or temporary tax concessions. Speak to your accountant about restructuring debts or deferring payments where possible.



03 Reconnect With Your Team

Your employees are a vital part of the recovery process. Communicate openly about timelines, changes to roles, or new operational procedures. If necessary, offer flexible work arrangements while business activity ramps up.



04 Re-engage Customers and Suppliers

Notify your customers of your reopening through social media, email updates, and local advertising. Reconnect with suppliers to secure stock and negotiate payment terms if needed. Consider special offers or loyalty incentives to encourage returning business.



05 Strengthen Business Continuity Planning

Use this experience as a learning opportunity. Develop or update your business continuity plan to prepare for future disruptions. This could include:

- Diversifying income streams to reduce dependency on a single revenue source
- Investing in cloud-based systems for remote operations
- Establishing an emergency fund



06 Stay Positive and Adapt

Recovery takes time, but a proactive and flexible approach can accelerate your business's return to stability. Seek professional advice when needed, and don't hesitate to lean on local business networks for support.



Federal Budget 2025–26: Key Updates for Your Business

The Australian Government's 2025–26 Federal Budget (released on 25 March 2025) introduced several measures that may impact your business as they come into effect.

With ongoing economic uncertainty, cost-of-living pressures, and labour market challenges, it's crucial to understand how these updates can benefit you and where adjustments may be needed.

Key Initiatives for Small Businesses

- **Energy Bill Relief** – If eligible, your business could receive up to \$150 off energy bills until the end of 2025.
- **Buy Australian Campaign** – A \$20 million investment aims to boost demand for locally-made goods and services, which may benefit Australian suppliers.
- **First Nations Businesswomen Mentoring** – \$3.4 million over three years to support First Nations women entrepreneurs through business coaching.
- **Mental Health & Financial Support** – Continued funding for the NewAccess for Small Business Owners program and the Small Business Debt Helpline to assist with financial and emotional well-being.
- **Disaster Recovery Assistance** – \$693.2 million in co-funding with states to aid disaster-affected businesses.
- **Energy Efficiency Grants** – Your business may be eligible for grants of up to \$25,000 to help manage energy costs and improve efficiency.
- **Unfair Trading & Contract Protections** – Strengthened regulations aim to further protect small businesses in contractual agreements.

Industry-Specific Measures



- **Apprenticeships** – If you operate in the construction industry, incentive payments for eligible housing construction apprentices will double from \$5,000 to \$10,000 as of 1 July 2025.
- **Contractor Payment Times** – If you work as a contractor in the construction sector, you can expect a reduced payment timeframe of 20 days for government-related projects.
- **Draught Beer Excise** – Temporary excise relief for breweries through increased support under the existing Excise Remission Scheme.
- **Fresh Produce Suppliers** – \$2.9 million in funding aims to help suppliers enforce their rights under the Food and Grocery Code of Conduct.
- **Franchising Code of Conduct** – The ACCC has been allocated \$7.1 million to enhance enforcement of the Franchising Code, improving transparency and fairness.

What Wasn't Announced In The Budget

Notably, the current government has promised a further 12-month extension on the \$20,000 threshold of the instant asset write-off measure (announced on 4 April 2025). This would allow small businesses with a revenue of up to \$10 million an additional 12 months to use the measure.



Why not speak with us about what this might mean for you?

Feel free to reach out if you have any questions about how these measures impact your business or need assistance planning for the year ahead. We're here to help you make informed financial decisions.

Omitting Income Mistakes That Contractors Can Make

For small business contractors, accurately reporting income is crucial to complying with tax laws.

However, some contractors may unintentionally - or deliberately, in some situations - omit income, leading to serious consequences.

This is an issue that the Australian Taxation Office (ATO) actively monitors to ensure businesses meet their tax obligations.



WHAT DOES OMITTING INCOME MEAN?

Omitting income occurs when a contractor fails to declare all earnings on their tax return. This can happen by:

- Accepting cash payments without recording them
- Not reporting all income from digital transactions
- Failing to issue invoices or receipts

While some may see this as a way to reduce tax liability, the ATO views it as tax evasion, which can result in penalties, audits, or legal action.

HOW THE ATO DETECTS UNDECLARED INCOME

The ATO uses various tools to identify contractors omitting income, including:

- **Data matching** – Comparing tax returns with bank statements, government records, and third-party payment providers
- **Tip-offs** – Reports from clients, employees, or competitors
- **Industry benchmarks** – Identifying discrepancies between declared income and typical earnings for similar businesses

HOW TO STAY COMPLIANT

Contractors can protect themselves by:

- Keeping accurate records of all transactions
- Declaring all cash and digital income
- Using accounting software to track earnings
- Registering for GST if income exceeds the \$75,000 threshold

If you've underreported income in the past, the ATO encourages voluntary disclosure, which may reduce penalties.

Operating outside the tax system can be tempting, but the risks outweigh the short-term gains.

By maintaining proper records and meeting tax obligations, contractors can build a trustworthy business while avoiding fines and audits.



If in doubt, consult a tax professional (like us) to ensure compliance and avoid the risk of penalisation.

Keeping On Top Of Your Employer Obligations

Running a small business isn't just about keeping things running smoothly - it also means staying on top of necessary compliance requirements, particularly regarding Australian tax and employment laws.

To help business owners stay on track and avoid potential pitfalls, the Australian Taxation Office has flagged four critical areas requiring extra attention.

1. KEEP UP WITH SUPERANNUATION PAYMENTS

Superannuation guarantee (SG) contributions must be paid on time and in full for all eligible employees. In 2025, missing deadlines or underpaying can lead to hefty penalties. To stay compliant:

- Pay super contributions at least quarterly (or more frequently if preferred)
- Use SuperStream to process payments correctly
- Keep accurate records of contributions

2. ENSURE SINGLE TOUCH PAYROLL (STP) COMPLIANCE

STP reporting is mandatory for all businesses, ensuring employee wages, tax, and super information are reported directly to the ATO. Make sure your payroll software is up to date and that you:

- Report wages, PAYG withholding, and super correctly in real time
- Adjust for any errors promptly through your software
- Keep employee details accurate to avoid mismatches

3. UNDERSTAND PAYG WITHHOLDING REQUIREMENTS

As an employer, you must withhold the correct amount of PAYG tax from employee wages and report it to the ATO. Failure to do so may result in penalties or issues with tax return processing for employees.

4. STAY UPDATED ON WORKPLACE LAWS

Employment laws, including minimum wage updates and workplace entitlements, can change. Regularly check Fair Work Australia's updates to ensure compliance.

By staying proactive with these employer obligations, small businesses can avoid unnecessary fines and maintain a compliant and efficient payroll system in 2025.



If unsure, seek professional advice to ensure you meet all requirements and avoid unneeded anxiety.

Hire An Employee Or A Contractor? What Works Better For You?

You may need extra hands when growing your business, but should you hire an employee or engage a contractor?

Both options have pros and cons, and the right choice depends on your business needs, budget, and compliance requirements.

Hiring an Employee

Legally, an employee is someone who works within your business, carrying out their duties as a representative of the company. Employees operate under a contract of employment, which defines their rights and responsibilities.

To avoid confusion, trainees, apprentices, laborers, and trades assistants are always considered employees. This means they are entitled to key benefits such as paid leave and superannuation.

Pros:

- More control over work hours and tasks.
- Employees contribute to long-term business growth.
- Helps build a stable, committed team.

Cons:

- Payroll tax and superannuation obligations.
- Additional costs include paid leave, workers' compensation, and training.
- Less flexibility in adjusting workforce size.

For example, Lisa owns a café and needs a full-time barista to maintain service consistency. Hiring an employee ensures regular availability and builds rapport with customers.

Engaging a Contractor

Contractors are independent workers who provide services under an agreement. They often use their own tools and set their own schedules.

Pros:

- Greater flexibility - engage them as needed.
- No obligation to pay super (unless required to do so under super laws by certain conditions).
- No leave entitlements, reducing costs.

Cons:

- Less control over how work is done.
- Potential risks if misclassified (contractors treated as employees).
- May have higher hourly rates than employees.

For example, James runs an IT consultancy and hires a contractor for a short-term project. This allows him to scale his workforce without long-term commitments.



If you need long-term stability, hiring
may be better.

**What Would
Work for You?**

If you require flexibility or specialist
skills, a contractor could be ideal.



Misclassifying workers can result in penalties—ensure you meet ATO and Fair Work Australia guidelines. Why not speak to a trusted business adviser? We're here to help if you require further guidance in this area.

7 Tips To A Successful BAS Lodgement

Lodging your Business Activity Statement (BAS) correctly is crucial for staying compliant and avoiding unnecessary stress.

The next lodgement date will be on 28 April (for the quarters of January, February, and March, or if lodging monthly).

Let's brush up on what you need to remember before you lodge.

1 Enter Figures Correctly

Ensure all amounts are placed in the correct labels on your BAS form. Fill in the sections relevant to your business, and avoid unnecessary entries.

2 Use Whole Dollar Amounts

The ATO requires amounts to be reported in whole dollars - so leave out the cents and don't round up to the nearest dollar.

3 Lodging a 'Nil' BAS

You can lodge a 'nil' BAS online if you have nothing to report for the period. This can be done online through the ATO portal.

4 Fixing Mistakes from a Previous BASS

If a mistake is made on your last BAS, you may be able to use your current BAS to fix them rather than lodge a revision. For further guidance on this, you can speak to us - we may be able to help!



If you lodge your BAS quarterly or monthly, and need help before your next lodgement date, speak with your accountant or BAS agent. We're here to assist you in your business endeavours.

5 Varying Instalment Amounts

You can also vary your PAYG instalments through your BAS if needed.

6 BAS Lodgment Deadlines

All businesses get **8 weeks** to lodge, with the next deadline being the 28 April. However, if you lodge your next quarterly BAS online or through a registered agent, you might get **an extra 2 to 4 weeks** to lodge and pay.

7 Go Paperless

If you're still receiving **paper BAS**, switch to online lodgment. This gives you faster access to statements, reduces paperwork, and ensures you receive ATO correspondence promptly.

Following these simple steps, you can lodge your BAS efficiently and avoid common pitfalls.



Establishing A Culture Of Trust In The Workplace

Trust is the foundation of a healthy workplace.

When employees trust their leaders and colleagues, collaboration improves, morale rises, and productivity flourishes. But trust doesn't happen overnight—it's built through consistent actions and a supportive environment. Here's how you can create a culture of trust in your workplace.



FOSTER OPEN COMMUNICATION

Transparency is crucial for trust. Employees should feel comfortable sharing ideas, raising concerns, and asking questions. Leaders can encourage this by:

- Holding regular check-ins or team meetings
- Clearly explaining business decisions and company goals
- Actively listening and valuing employee input



LEAD BY EXAMPLE

Trust starts at the top. If leaders demonstrate integrity, accountability, and fairness, employees are more likely to do the same. This means:

- Admitting mistakes and taking responsibility
- Following through on commitments
- Treating all employees with respect and fairness



RECOGNISE AND REWARD CONTRIBUTIONS

Employees feel valued when their efforts are acknowledged. Recognising achievements through a simple thank-you, performance bonuses, or team shout-outs helps reinforce trust and motivation.



ENCOURAGE COLLABORATION, NOT COMPETITION

While healthy competition can drive performance, an overly competitive environment can create distrust. Encourage teamwork by:

- Promoting knowledge-sharing
- Assigning group projects
- Celebrating collective successes



GIVE EMPLOYEES AUTONOMY

Micromanagement can signal a lack of trust. Allow employees the freedom to take ownership of their work and make decisions within their roles. Trusting them to manage their responsibilities fosters confidence and accountability.



ADDRESS ISSUES PROMPTLY AND FAIRLY

Workplace conflicts or concerns should never be ignored. Addressing issues with fairness and confidentiality reassures employees that their well-being matters.



INVEST IN PROFESSIONAL DEVELOPMENT

Supporting employees' growth shows that the company values their future. Offering training, mentoring, and career advancement opportunities builds long-term trust.

Employees feel safe, valued, and empowered in a trust-based workplace. By fostering open communication, demonstrating integrity, and supporting your team, you create an environment where people want to give their best.



Need further advice when it comes to your business? Why not consult with one of our licensed advisors - we're here to help so you can focus on the big picture.

