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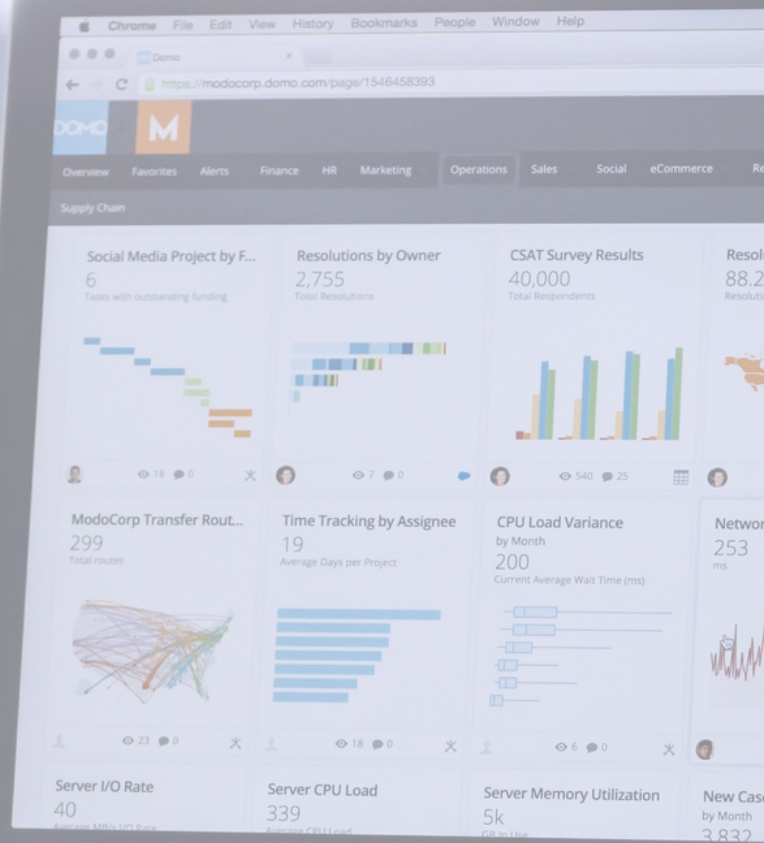
# ESSENTIAL LODGEMENTS FOR YOUR SMALL BUSINESS

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# LODGEMENTS

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## ABOUT THIS GUIDE

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Ensuring your business is compliant and meeting the requirements set out by the numerous government bodies that regulate your industry can be a headache. Understanding where your business has responsibilities, registrations to be made and covering what areas of tax you could potentially be up for paying can be a tricky proposition for first-time business owners.

Unfortunately, it's very difficult to find guidance on this without paying an arm and a leg to speak to someone. This is where I think this guide will come in handy to provide you with a comprehensive checklist to ensure that you've covered all your bases when it comes to running your business legally.

# AUSTRALIAN TAXATION OFFICE

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## BUSINESS ACTIVITY STATEMENTS (BAS)

**Frequency: Monthly, Quarterly, Annually**

You must be reporting on:

- Goods & Services Tax (GST)
- PAYG Income Tax
- PAYG Withholding tax

Most businesses report on a quarterly basis but depending on the total wages and income you may need to report annually or monthly.



## INCOME TAX RETURNS FOR BUSINESS

**Frequency: Annually for the period of 1 July - 30 June**

How you lodge your tax return largely depends on what type of business entity you operate as:

1. **Sole Trader** – you must lodge a tax return even if your income is below the tax-free threshold. You must cover both the tax return for individuals as well as the business and professional items schedule for individuals
2. **Partnerships** – the partnership lodges a partnership tax return which reports on your share of any partnership net income or loss. Any other assessable income in your personal name, such as salary and wages, dividends and rental income must be included in your personal tax return.
3. **Trusts** – the trustee lodges a trust tax return whilst each trust beneficiary must lodge their own personal tax return
4. **Companies** – a company tax return is required and must report on taxable income, tax offsets and credits, PAYG instalments and the amount of tax it's liable to pay on that income. This is separate from your personal income tax return.

30 June tax return due dates vary depending on the type of entity. Majority of tax returns are due by 15 May the following year.



# AUSTRALIAN TAXATION OFFICE

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## FRINGE BENEFITS TAX (FBT)

**Frequency: Annually for year ending 31 March by 21 May**

Fringe Benefits Tax (FBT) is paid by employers on particular benefits provided to their employees or their employees' families/associates. Such examples include a company car, discounted loan, gym membership, entertainment or salary sacrifice arrangements.

If you have an FBT liability for the FBT year ending on 31st March, then these must be lodged no later than 21st May.



## TAXABLE PAYMENTS ANNUAL REPORTS (TPAR)

**Frequency: Annually by 28 August**

This report relates to payments made to contractors, subcontractors and consultants providing:

- Business and construction services
- Cleaning services
- Courier services
- Road freight services
- Information technology (IT) services
- Security, investigation or surveillance services

This report must detail the following information of each contractor:

- Australian Business Number (ABN)
- Name and Address
- Gross amount paid to them for the financial year (including any GST)

You will only need to lodge a TPAR if you operate in any one of the above listed industries.

# AUSTRALIAN TAXATION OFFICE

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## PAYG PAYMENT SUMMARY & SINGLE TOUCH PAYROLL (SPT)

### Frequency: Annually

It is a requirement that all businesses must submit a PAYG payment summary report for their employees if you are not electronically lodging your payment summaries with the ATO. This means that businesses using Single Touch Payroll are not required to submit this. Should you be required to submit a PAYG Payment Summary, this should include:

- Total wages paid
- Total tax withheld
- Total superannuation paid

[\*Click here to learn more\*](#)



# AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION

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The Australian Securities & Investments Commission (ASIC) acts as Australia's corporate regulator to protect Australian consumers, investors and creditors. As the governing body for all businesses, ASIC is responsible for maintaining Australia's company and business name registers. Ensuring your business is meeting their requirements is important to ensure that your business can operate legally.



## ANNUAL REVIEW

### Frequency: Annually

An annual review date is compulsory and is generally set the same date the company was registered. Shortly after this date, an annual statement and an invoice is issued and this fee of \$267 per year (as of July 2019) for a company, must be paid to keep your entity registered. The review date can be checked on the ASIC website.

[\*Click here for more information on the annual review\*](#)



## SOLVENCY RESOLUTIONS

### Frequency: Annually

This involves the directors meeting together to determine whether the company can pay its debts if and when they are due. This decision must be made within 2 months of the annual review date.

A positive solvency resolution means that in the directors' opinion, the company can pay its debts when due. The company is not required to lodge a positive solvency resolution, but this must be kept with your company's records such as the meeting minutes.

A negative solvency resolution, conversely, means that the company may not be able to pay its debts when they are due, in the opinion of its directors. This must be lodged with a Form 485 Statement in relation to company solvency within 7 days.

Continues on the next page.



# AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION

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## **SOLVENCY RESOLUTIONS (Continued)**

The directors must have a reasonable basis for their decision and the majority must pass on this resolution. In cases where the directors don't pass a solvency resolution within 2 months of the annual review date, a Form 485 must still be lodged.

*[Click here to download Form 485](#)*

## **FINANCIAL REPORTS**

**Frequency: Annually, lodged within 3 months after EOFY**

Your company generally must lodge reports when:

- There are substantial sums of money involved
- The general public has invested funds with the company, or
- The company exists for charitable purposes only and therefore, operates as a non-profit

Special purpose financial reports can be prepared by your accountant to be reviewed by ASIC.

*[For more information, click here](#)*

## **CHANGES TO YOUR COMPANY**

**Frequency: Within 28 days of the change occurring**

\$80 late fees apply for one month and \$333 for over one month.

Any changes made to your company must be updated online. Common changes may include:

- Company address change
- Company name change
- Company type change
- Appointment or cessation of company officeholders
- Addition or removal of ultimate holding company
- Change of share structure
- Transferring of shares
- Appointment or cessation of members

# INSURANCE

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## WORKERS' COMPENSATION

This is mandatory and relates to work-related accidents or illnesses that occur. Work healthy and safety (WH&S) laws require that workers can access first aid, workers' compensation and return-to-work rehabilitation.

Therefore, it's the responsibility as an employer to maintain a safe workplace with adequate workers' compensation insurance. This protects you and your employees against financial hardship caused as a result of a workplace accident.

Once worker's compensation insurance has been obtained, this must be declared with your relevant State Government agency such as iCare for NSW.

Independent contractors may require their own insurance depending on their industry.



## PUBLIC LIABILITY INSURANCE

Whilst public liability insurance is optional, we heavily recommend you consider it for your business if your business activities may result in damages or injuries to a third party. This will ensure that you are protected against legal action.

Some industries do enforce mandatory public liability or professional indemnity insurance to legally operate. Check your industry to ensure that you are covered for this.

[Click here for more information](#)



# EMPLOYMENT

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If you are an employer, then you have obligations towards your employees as well as record keeping responsibilities.

Payslips: these must be issued to employees each time you pay your employee wages. This must be in a form that is readily accessible to a Fair Work Inspector. This must include the following information:

- Employee's full name
- Employer's name & ABN
- Pay period & payment date
- Gross & net pay
- Pay rate and hours worked
- Penalty rates, allowances
- Deductions
- Superannuation contributions

Superannuation: you are obligated to make super contributions on behalf of your employees. A minimum payment of 9.5% of your employee's ordinary time earnings is required. This must be paid at least 4 times a year and are due by the quarterly due dates.

Superannuation (must be paid four (4) times a year by the quarterly due date)





# OTHER

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## PAYROLL TAX

This is the tax you must pay on the wages you pay to your employees once you have exceeded the relevant threshold in your state or territory that your business operates. For example, in NSW, the threshold as of 2019 is \$850,000 per financial year.



## LAND TAX

If your business is the landowner of property, then a land tax may be applicable. This depends on the property type; property use and its value. This can include businesses with commercial properties, investment properties, and land leased from the government.

Ensure you speak to the right governing body to ensure that you are correctly assessing the value of your land or property so that you can correctly estimate how much tax you may be liable for.



## REGISTRATIONS AND LICENCES

Depending on your industry, there may be licences required for you to obtain in order to conduct the business activities you wish to operate. Some examples include licences in building, liquor and gaming, food authority or other local council permits.



## FINAL WORD

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Whilst every industry has different requirements and regulations, we found there to be some commonalities among all of them. We hope this guide, whilst not exhaustive, provides a pretty extensive list of areas your business must comply with in terms of lodgements and registrations.

If there are any particular aspects of this process that confuse you, the Box Advisory Services team is one phone call away from helping guide you in the right direction.

Good luck!

*Davie Mach*



Box Advisory Services was founded with the aim to deliver outstanding and affordable services to contractors, consultants and small businesses in Australia. We are specialist accountants for small businesses who will take the time to get to know you and provide you with prompt and bespoke advice. Our success derives from our commitment to building a strong client relationship combined with quality, commitment and reliability. It is our comprehensive understanding of clients' businesses and their industry that allows us to provide the quality of advice and service they require.

Here at Box Advisory Services, we believe that we are the #1 contractor and small business accounting firm in Australia. Our approach is to think outside the box and keep it personable with our clients.

## ONLINE

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