



# BUSINESS ACCELERATOR MAGAZINE

Your Quarterly Business, Tax & Accounting  
newsletter to help you grow your business

**BUSINESS GROWTH HQ**  
Build Your Business & Grow Your Wealth



## 3 superannuation changes every employer should discuss with their accountant in 2023



Set your business up for compliance changes and get the support you need to navigate nest eggs.

It can be a challenge for SMEs to stay on top of changing superannuation obligations that are mandated by legislation. As an employer you have an obligation to pay the superannuation guarantee. Staying compliant isn't just a legal obligation, it's a must for protecting your brand reputation from claims of dodgy super practices.

### The Superannuation Guarantee is increasing

The 2023 superannuation changes are here, starting with the Superannuation Guarantee (SG) – where the employer must pay a minimum amount to eligible workers with failure to comply resulting in hefty penalties. Businesses faced an increase to 10.5% SG on an employee's ordinary time earnings on 1 July 1 2022 and that rate is set to increase again. The SG is set to increase by 0.5% every 1 July until it reaches 12% on 1 July 2025. The year 2021 marked the first increase of super contributions since 2014.

### Compliance is key in 2023

Among other changes to superannuation in July 2022 was the removal of the \$450 minimum income threshold for the SG. Casual staff or staff working shorter shifts are now entitled to SG contributions, which can create a greater burden for small businesses. The changes come at a challenging time for many Australian businesses having faced ongoing natural disasters and a global pandemic over the past few years, against rising inflation, interest rates and supply chain demands. Business owners cannot afford the consequence of failing a Super Guarantee audit. Your accountant is crucial to assist with managing your cashflow and auditing your existing payroll and accounting systems in the lead-up and post 1 July 2023.

### Getting it wrong can cost big

Failure to make your Super Guarantee payments by the due dates can be extremely costly. Typically, the superannuation contributions must be paid within 28 days of the end of the quarter. Failure to make this payment on time means the employer will be liable to pay the Superannuation Guarantee Charge (SGC), which can be financially punitive, particularly when a SG underpayment perpetuates over a number of quarters. Payment of SGC is facilitated through the preparation and lodgement of SG statements, which can be administratively burdensome. There is also a \$20 administrative fee payable per individual, per quarter. If a SG underpayment is not rectified before an audit commences, a hefty penalty up to 200% of the SGC can apply. Employers owe a staggering \$33 million in underpaid superannuation between 2013-2020. That's almost \$5 million a year. This is not a list you want to be a part of. The impact to the brand reputation can last for years when workers are left owed thousands in superannuation and wages like the collapsed [Tozer Construction Group](#) or Sydney eatery [Bel & Brio](#), as well as personal liabilities.

### Make 2023 the Year of Compliance

Although 2023 might technically be the Year of the Water Rabbit, bringing luck, money and success – it's also the best year to ensure you're completely super compliant. The Federal Labor government has previously [flagged a proposal](#) to take non-super-paying employers to court. Being compliant for 2023 superannuation changes might have you feeling a little overwhelmed. As a business owner you have lots of your plate. That's where the help of an accountant can be of huge value to your business. There are also changes to contractors and superannuation – check out this article [here](#). Superannuation can be a complex beast for compliance, and a great time to rely on your accountant's expertise to free you up for keeping everything else BAU.

#### Disclaimer:

The information is general in nature and is not personal advice. It does not take into account your needs, objectives or financial situation. You should seek independent advice suitable to your circumstances.



## Sustainability and your supply chain



Stay compliant and boost your brand value in 2023 with expert accounting support. Staying on top of environmental management is a growing concern for Australian businesses. With the right financial support? Sustainability can be good for business.

Sustainability is uppermost in mind for ethically conscious businesses and consumers. It's also a regulatory issue with substantive government environmental compliance at both the Federal and state/territory level. The start of a new year is always a good time to take stock and review where your business is at.

Looking at the past 1 year, 3 years and 5 years can help identify areas for improvement. Especially in a post-pandemic period it's time to review the processes and structures that were setup quickly or without the proper due diligence in a time of business interruption. Staying compliant is an ongoing battle, one that needs to be undertaken with the right expert advising you.

### What are the legislative compliance measures for sustainability statements?

Sustainability reporting is currently voluntary, in Australia that is there is no forced standard of reporting, there has been strong interest from both the Australia Securities Exchange Limited (ASX) and the Australian Securities & Investments Commission (ASIC) on providing meaningful information around sustainability practices. Notably "greenwashing" is of major concern for both groups as investor and customer demand for sustainable products in the Australian market.

The Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) has a voluntary disclosure framework to assist in transitioning to future standards that may be set. The Australian Accounting Standards Board (the AASB) is currently consulting on

the suitability of draft disclosure standards from the International Sustainability Standards Board.

### Sustainability in your supply chain

One of the key areas to assess for sustainability is your own supply chain and processes. To ensure appropriate ESG compliance, businesses need to have a sustainability capability statement. Each link in the business chain needs to be understood and accounted for.

Conducting a sustainability supplier questionnaire can help ensure your suppliers are meeting your own sustainability compliance.

Ask the big questions:

- Do they provide a safe workplace for their staff?
- Are the products and processes implemented to create products sustainable?
- Does the supplier act in accordance with the Modern Slavery Act 2018?

To establish a baseline of your businesses current environmental impact, you can start with an environmental audit. An audit is a great starting point to create your Environmental Management System (EMS).

### Review your suppliers

The global pandemic caused unprecedented business disruption, with supply chain demands some of the most impacted areas of business. It's possible that things might have been rushed during this period. Were some corners cut? Was a new supplier brought on in a hurry without the proper processes being put in place? Is there a chance you don't know some aspects of your suppliers' own processes or contractors?

Setting aside any legal liability, there is also a brand reputation risk to doing business with suppliers found to be unethical. We only need to look at the boycotts on Russian goods as an example of consumers needing to feel heard through collective action. If you're questioning how well you know your supplier (and their suppliers), this is the time to put them under the sustainability microscope.

### Assess your supplier risk

Get to know your suppliers intimately through creating and distributing a supplier questionnaire. Are they a certified B-Corp? What is their Net Promoter Score? Although there are many existing Self-Assessment Questionnaires on environmental policy, it's important to ensure any questions are tailored to your business needs.





An expert chartered accountant can offer guidance to help you accurately assess supplier risk, compliance and diversity. Aside from specific sustainability capability questions, it's key that your business has a supplier risk management framework in place in the event that something goes astray. We all remember the Horsemeat scandal or when Nando's famously ran out of chicken in the midst of the COVID-19 pandemic.

## New Year's Resolution: compliance, compliance, compliance

Supply chains are critical to the success of your business and ultimately their compliance is a major risk factor for your business.

Investing in the wisdom of a trusted chartered accountant gives you access to valuable expert advice and assurance knowing that your BAU and sustainability compliance is right on track for the new year. Now is the time to start scheduling time to take a closer look at your key suppliers and assess their sustainability compliance moving forward.

### Disclaimer:

The information is general in nature and is not personal advice. It does not take into account your needs, objectives or financial situation. You should seek independent advice suitable to your circumstances.

## 3 ways to increase business profit in 2023



### Where to start on sales, pricing and costs

**Boosting profit is possible in uncertain economic conditions. Move the profit needle with expert accounting support.**

### Support for your entire business cycle

Inflation and interest rates are rising, property prices are in flux, and a global recession may be looming. As a result, 2023 is set to be another year of economic uncertainty for business owners.

Your not-so-secret business weapon during times like these? A trusted accountant who supports your entire business cycle – and communicates beyond a once-a-year check-in. With the right advice tailored to your business, you can increase profit rather than simply survive.

### A snapshot of current Australian economic conditions

- Cash rate increased by 25 basis points by RBA
- Projected economic growth of just 1.7% in 2023, down from 3.6% in 2022
- 46% of Australian business leaders expect a recession in 2023

### 1. Increase sales

Making more sales is an obvious place to start boosting profits for businesses with room to expand – although sales alone do not equate to profit without a mindful and sustainable growth plan.

Partnering with an accountant can help the business grow at a manageable pace, with support to:

- forecast sales, cashflow and profit
- scale your supply chain
- invest in the right infrastructure or inventory.

In the face of declining household and business spending, your strategies may include targeting the spending of existing customers to increase their lifetime customer value (LCV). Boosting LCV may include optimising your customer service to encourage referrals and retention, acting on feedback for continuous improvement, and customer loyalty programs.



# BUSINESS ACCELERATOR MAGAZINE

Get started on increasing sales

- Streamline invoicing and accounts processes for a positive customer experience
- Focus on profitable products or services – and cut what underperforms
- Use a complete pricing analysis to get your prices right for your ideal audience

## 2. Increase prices

Increasing prices to boost profitability can be an attractive option for businesses with inflated supplier and running costs eating into the bottom line. It must be done thoughtfully to avoid losing existing customers, offside or scaring away new prospects.

It might be a good time to implement a price increase if your business:

- struggles to keep up with demand
- has had a sudden influx of new customers
- has increasing supply and operating costs
- bases its marketing strategy on an upscale image
- last raised prices a while ago.

It might be wise to hold your horses on any price changes if your business:

- struggles with customer retention
- has had quality, customer service, or negative PR issues
- targets an audience with limited discretionary spending.

Get started on increasing prices

- Complete an external pricing review including market and competitor trends
- Identify increased production and operations costs to recoup
- Create a customer payment plan to increase accessibility and avoid sticker shock

## 3. Reduce costs

Reducing business costs is the third key option for eking out more profit in a stretched economy – and it's quite the challenge thanks to rising living, operations and supply chain costs.

Reducing costs despite inflation demands a thorough understanding of your business spending, including:

- discretionary versus non-negotiable operating costs – what is up for review
- supplier costs – who are you dependent on in the supply chain

- where profit is made in your business cycle – small changes to pricing formulas can have a big impact on profit.

Seeking quotes from new suppliers is where many businesses start cost-cutting. It's essential to know your business's acceptable level of risk for suppliers – are they meeting the same quality and ESG commitments as the original supplier? If it seems too good to be true, it probably is. An alternative to maintaining your profitability may be to adjust your product or service to keep pricing the same but with reduced size or scope.

Depending on your business model and industry, strategies may relate directly to staff, including:

- incentivising employees to meet operational savings KPIs
- reviewing staff coverage and payroll costs over quieter periods
- upping productivity by replacing inefficient systems with smarter tools.

Get started on reducing costs

- Run an external review to cancel, consolidate, or maximise the ROI of all costs
- Compare actual costs with budgets to identify errors
- Benchmark your costs against competitors to identify savings opportunities

## Do more than survive in business in 2023.

Expanding your sales, increasing prices and reducing costs are valid strategies – but there's no one size fits all.

The right support for your business can be the difference between sinking or swimming. Ask questions, leverage your accountant's expertise and rely on them to complete the complex analysis required to make informed strategic decisions.

**Boost profitability in 2023 with expert accounting advice.**



## FBT 2023 and hybrid workforces



**Will your hybrid workforce leave you with a FBT bill? What every employer should know about FBT in 2023**

**Make sense of FBT in 2023 as covid exemptions end and work from home adds new challenges to your compliance.**

### Getting FBT right? It's complicated.

March 31st marks the end of the Fringe Benefits Tax (FBT) year.

If FBT has you scratching your head, you're not alone. The ATO admits it's complex, saying, "[We recognise complexity in the FBT law can hamper employers' engagement with the system.](#)" Moreover, in 2023, possible changes to covid-related exemptions for remote workforces may add another layer of complexity. In this article, we get you up to speed to ensure your hybrid workforce is FBT compliant.

Fringe benefits tax (FBT) is a tax paid by employers on certain benefits provided to their employees, their families, or other associates. Separate from income tax, it's calculated on the taxable value of the fringe benefit. As an employer, you must self-assess your FBT liability from April 1st to March 31st.

### Covid and FBT 2023

When covid lockdowns hit, business owners scrambled to set up hybrid workforces. You may have acted quickly to provide your employees with work from home benefits without considering the FBT implications.

FBT in 2023 will be even more complex – with some covid exemptions possibly changing or ending on March 31st. [Get the ATO's rundown on covid and FBT here.](#)

### The FBT gap

The ATO has recently announced the 'FBT gap' is over \$1 billion. Employers will be targeted to ensure those liable for FBT are lodging and paying the right amount.

- Planned action to reduce the gap includes:
- gathering industry insights to inform areas of focus
- working with industry groups to promote education strategies
- providing public guidance to assist employers
- targeted risk-based reviews and audits.

### FBT for employers with remote or hybrid workforces

Which benefits are exempt from FBT, and which are liable for the tax?

#### Laptops, printers, smartphones, other portable electronic devices and tools of trade

Exempt from FBT if they are primarily used for work-related purposes. Note: desktop computers are not considered portable electronic devices.

#### General office equipment including desks, chairs, cabinets, monitors and stationery

If you LENT office equipment during temporary WFH arrangements, office equipment is likely exempt from FBT. For ongoing WFH arrangements, the benefit may also be exempt, or the taxable value may be reduced by the [otherwise deductible rule \(ODR\)](#).

If you have GIVEN office equipment with a taxable value of less than \$300, the item is likely exempt from FBT, or the ODR may reduce its taxable value. For equipment \$300 or more, FBT is likely payable.

#### Phone and internet access

The [minor benefits exemption](#) (which applies to benefits under \$300) or the ODR may apply if you pay for your employee's phone and internet access.

#### Counselling and healthcare that supports WFH

Counselling services or healthcare provided to support employees working from home may be exempt from FBT per the existing rules for work-related counselling. Covering concerns such as health and safety, stress management, relationships, retirement, and physical health including dentistry, optometry, and more, work-



related counselling seeks to improve or maintain the quality of your employees' work performance.

Also exempt from FBT are car benefits, expense payment benefits or property benefits associated with work-related preventative health care. For example, a sit-stand desk purchased to prevent or manage back pain.

**Note:** exemptions require the recommendation of a legally qualified medical practitioner or nurse.

## Other benefits liable for FBT

Other benefits liable for FBT include:

- allowing an employee to use a work car for private purposes – including any parking
- gym memberships
- entertainment such as free tickets to concerts
- food and drink
- providing a discounted loan
- giving benefits under a salary sacrifice arrangement.

[Get across the details here.](#)

## Ask your accountant about FBT

Your accountant can help you sift through the murky waters of FBT to ensure you remain compliant. Schedule an FBT catch up with your accountant and ask:

- Should I be registered for FBT?
- What FBT records do I need to keep?
- How do I calculate my FBT?
- Do I have to lodge an FBT Return even if no FBT is payable?
- How can I reduce my FBT liability?
- What are the key things I must do by March 31st 2023?

## Don't go it alone

A trusted accountant can help with staying compliant while reducing your FBT liability. Save yourself time, frustration and risk and get professional help to manage your FBT return.

**Nail your FBT and avoid costly mistakes with expert accounting advice.**

# Understanding the economic indicators that impact your business



**Do better business and grow with confidence. Know the numbers that matter and why.**

## Are you keeping up with economic news?

Do you take note of the economic indicators published in the media or tune out when the financial news begins?

It can be hard to keep up but these rates, indexes and percentages can directly impact the health of your business. In times of economic uncertainty, knowing these

numbers could be the difference between moving forward and falling behind – you can ask your accountant targeted questions about the impacts on your business and it may build your understanding of how their advice and actions play out over time.

## Key economic indicators to watch

- Consumer confidence
- Economic growth
- Inflation
- Interest rates
- Unemployment

## Consumer Confidence Index (CCI)

### What is it?

CCI is calculated by surveying consumer confidence in the economy based on 5 sub-indexes.

### How is it measured?

Responses across the 5 sub-indexes are scored and combined. 100 is neutral, with positive and negative responses cancelling each other out. Scores above 100





# BUSINESS ACCELERATOR MAGAZINE

indicate higher levels of confidence, while lower scores mean consumer confidence is down.

## Who measures it?

CCI is based on the monthly Westpac – [Melbourne Institute Index of Consumer Sentiment](#).

## Why and how it can impact your business?

High confidence levels signal increased spending in the community, which is good news for business. Low consumer confidence sees tightened spending and a slow down in discretionary purchases.

## What to ask your accountant?

What does the current CCI mean for my sector?

Is there enough consumer confidence to support a product launch this month or quarter?

## The 5 CCI sub-indexes:

- household financial situation over the previous 12 months
- household financial situation over the coming 12 months
- anticipated economic conditions over the coming year
- anticipated economic conditions over the next five years
- buying conditions for major household items

## Economic Growth

### What is it?

Economic growth measures the size of the economy, using Gross Domestic Product (GDP) to compare the size of the economy from one quarter to the next.

### How is it measured?

Data is collected from households, companies and government agencies every three months to measure:

- production (total value added from the productions of goods and services)
- income (total income generated by employees and businesses), and
- expenditure (total value of expenditure on final goods and services).

### Who measures it?

GDP figures are released each quarter by the [Australian Bureau of Statistics \(ABS\)](#).

## Why and how it can impact your business?

When the economy grows, businesses stand to benefit from increased levels of spending, confidence and investment. When the economy stagnates or shrinks, it's harder to get finance, close deals and increase your sales.

## What to ask your accountant?

What does the latest GDP figures indicate for my sector?

Is it a good time to hire more staff, invest in equipment or launch a new range of products?

## Inflation

### What is it?

Inflation is an increase in the price of goods and services over time. As the economy grows, prices generally increase too, reflecting the role of supply and demand.

### How is it measured?

The Consumer Price Index (CPI) measures the percentage change in the prices of a basket of goods and services to calculate the rate of inflation.

### Who measures it?

CPI figures are published each quarter by the [Australian Bureau of Statistics \(ABS\)](#).

## Why and how it can impact your business?

In times of low inflation, CPI rises can justify price rises for your business. When inflation grows quickly, rising costs dent consumer confidence and reduce buying power, making it harder for businesses to increase revenue.

## What to ask your accountant?

What's the current inflation rate and is it expected to grow?

Will I have to increase prices to meet rising costs or is there room to absorb them?

## Interest Rate

### What is it?

Interest rates are used to calculate the amount of interest accrued by savings account holders and paid by mortgage and loan holders.

### How is it measured?

Interest rates are based on the cash rate which reflects the interest rate on unsecured overnight loans between banks.

### Who measures it?

The [Reserve Bank of Australia \(RBA\)](#) sets the cash rate each month, which influences the interest rates set by individual banks and financial institutions.

## Why and how it can impact your business?

If your business has investments or loans, the interest rate determines the amount payable. Rising interest rates mean mortgage holders spend less on discretionary items which may impact your business bottom line.

## What to ask your accountant?

How does the current interest rate affect my loan repayments and investments?

Are interest rates expected to rise in the future?





## Unemployment Rate

### What is it?

The unemployment rate indicates how many people are looking for work each month, showing labour supply (households) compared to labour demand (businesses).

### How is it measured?

The unemployment rate measures the percentage of people in the labour force who are able to work but do not currently have a job.

### Who measures it?

The [Australian Bureau of Statistics](#) (ABS) releases monthly unemployment figures in the Labour Force Survey.

### Why and how it can impact your business?

High unemployment puts stress on households but gives business more choice in the labour market. Low unemployment puts stress on businesses as it's harder to get suitable applicants for vacant roles.

### What to ask your accountant?

Is it a good time to hire more staff?

Should I revisit my pay rates or conditions to retain staff?

### Increase your understanding to protect your business

No business operates in isolation. It's vital to understand the state of the economy so you can predict trends, make better decisions and adapt quickly to changing conditions.

Ask your accountant about the economic conditions that impact your business.

---

## Understanding key performance indicators for your business



### The numbers to track to drive business growth

Discover the KPIs that underpin business success and the role of a trusted accountant.

### How much do you know about your business performance?

Key performance indicators (KPIs) provide a benchmark for success and offer an instant view of business health. Understanding the numbers also increases financial literacy and helps you ask better questions of trusted advisors like your accountant.

Not sure where to start? There are six business KPIs you should track to ensure your business is built on the right foundations.

#### Business KPIs to track

- Cash flow forecast
- Revenue growth
- Revenue per client
- Profit margin
- Client retention rate
- Accounts receivable/accounts payable ratio

### 1 Cash flow forecast

#### What is it?

Provides an estimate of future sales and expenses.

#### What does it indicate?

Measuring projected income and outgoings reveals the financial health of your business. Positive cash flow means your business is making money.

#### How is it measured?

Subtract your expected outgoings from your expected income over a monthly, quarterly or annual basis.



# BUSINESS ACCELERATOR MAGAZINE

## Who measures it?

You can run the numbers or get your accountant to do it for you.

## What do you compare to track performance?

Map out monthly forecasts over a 12 month period to anticipate peaks and troughs and get a feel for the state of your cash flow.

## What's the industry benchmark/target KPI range?

There is no set benchmark for cash flow forecasting but you should aim for a positive result - else you could run out of money.

## Why and how it can impact your business?

Cash flow forecasts identify when your business may have excess cash or fall short. It assists with decision-making, helps in short and long term financial planning and can avert financial disaster for your business.

## What to ask your accountant?

Is there a template I can use for forecasting?

Is there a list of income and expenses I can use to check against my own records?

## 2 Revenue growth

### What is it?

Measures revenue over a period of time expressed as a percentage.

### What does it indicate?

Positive revenue growth shows that your business is moving in the right direction.

### How is it measured?

Subtract the previous period's revenue from the current period's revenue and divide by the previous period's revenue.

### Who measures it?

You can run the numbers or get your accountant to do it for you.

## What do you compare to track performance?

Compare revenue from matching timeframes (i.e. compare 2021 revenue to 2022 or March 2021 with March 2022).

## What's the industry benchmark/target KPI range?

Every company is different. Generally a 2-3% growth rate is healthy, with 10% or more a sign of a successful business.

## Why and how it can impact your business?

Revenue growth is key to a successful business, allowing entities to bring on more staff, expand product lines and invest in research and development.

## What to ask your accountant?

What is an ideal revenue growth rate for my industry?

Where can I cut costs and trim fat to improve my revenue rate and boost my bottom line?

## 3 Revenue per client

### What is it?

Takes your revenue and measures the average amount generated per client.

### What does it indicate?

Increasing this metric makes it easier to generate more revenue from a smaller pool of clients.

### How is it measured?

Divide total revenue by the total number of clients.

### Who measures it?

You can run the numbers or get your accountant to do it for you.

## What do you compare to track performance?

Monitor the rate from month to month and year to year to track growth, stagnation or decline.

## What's the industry benchmark/target KPI range?

There is no set benchmark for revenue per client but you should always aim to grow the rate over time.

## Why and how it can impact your business?

Increasing your revenue per client rate will boost your bottom line without the cost of attracting or onboarding new clients. It also drives innovation as your business explores new ways to offer value and increase revenue.

## What to ask your accountant?

Is there a standard revenue per client rate for my industry?

How frequently should I be measuring it?

Is there a template report I can use?

## Good reporting is key to monitoring progress

Most online accounting systems already track KPIs or can be set up to monitor them. If you don't know where to begin, a trusted accountant will guide you through the process and create customised reports so you always know where you stand.

## A successful business relies on knowing the numbers

Your bank balance can only tell you so much – tracking business KPIs gives you the full picture and highlights opportunity.

## Know your business better with expert advice on KPIs.



**Get in touch with us today if you  
want to chat about anything in this  
newsletter.**

**(02) 8824 7848**

**[info@businessgrowthhq.com.au](mailto:info@businessgrowthhq.com.au)**



Suite 102, 33 Lexington Drive, Norwest Business Park, Bella Vista NSW 2153

Phone: (02) 8824 7848

Email: [info@businessgrowthhq.com.au](mailto:info@businessgrowthhq.com.au)

**IMPORTANT DISCLAIMER:** This newsletter is issued as a guide to clients and for their private information. This newsletter does not constitute advice. Clients should not act solely on the basis of the material contained in this newsletter. Items herein are general comments only and do not convey advice per se. Also changes in legislation may occur quickly. We therefore recommend that our formal advice be sought before acting in any of these areas.