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Building good habits

Support for small businesses to develop good habits throughout their business lifecycle.

Quarterly to monthly GST reporting

Our focus on small businesses who may need to change from quarterly to monthly GST reporting to stay on track.

QC 103857

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Our focus

If you operate a small business and have a history of failing to comply with your tax obligations we can move you from quarterly to monthly

reporting as part of our corrective action.

From March 2025, small businesses that have a history of failing to comply will start to receive communication from us notifying them of their new monthly reporting cycle effective from 1 April 2025. These businesses have not responded to previous communications from us and demonstrate a poor compliance history, for example:

- paying late or not paying the amount due
- not lodging or lodging late
- reporting your tax obligations incorrectly.

We will notify you in writing if we move you to monthly GST reporting.

We are obligated to move you to monthly GST reporting under **A New Tax System (Goods and Services Tax) Act 1999, paragraph 27-15(1)(c)**, where the Commissioner is satisfied that you have a history of failing to comply with your obligations.

If you disagree with our decision and don't believe you have a history of failing to comply, you can **lodge an objection for this reviewable GST decision** within the time limit.

After 12 months, you can ask us to change your reporting cycle back to quarterly. We will only do this if we are satisfied you are complying with your obligations.

The move is designed to support you to meet your obligations and to embed **good business habits** into your business by better aligning reporting with your reconciliation processes. This will help make reporting easier and save you time.

Example: Commissioner's determination monthly reporting

Jack has been running a small business for over 5 years, his turnover ranges from \$350,000 to \$550,000 per year. He uses a digital accounting software package for BAS preparation. His tax agent has set it up for quarterly GST reporting.

With the demands of running a busy business, he has developed a pattern of lodging and paying late. Over the past 18 months Jack has fallen behind and stopped engaging with the tax office. He has not lodged the past 2 BAS, the prior 4 BAS were lodged

late, his last business income tax return has not been lodged and he has an overdue tax debt. He has set up payment plans to pay the overdue tax debt but defaulted on these plans by not paying the amount due by the due date.

Jack receives a letter from us advising him that he will now have to lodge his GST monthly. He understands from the email that this decision is based on his history of failing to comply with his tax obligations.

Jack decides to bring his lodgments up to date and enters into a payment plan for the outstanding debt.

This marks a turning point in his business. Jack finds it easier to stay on track with accurate, up-to-date record-keeping, which helps him make better business decisions. After the 12 month period Jack saw the benefits of monthly reporting and decided to keep his reporting cycle as monthly.

How to get it right

Monthly reporting may make it easier for you to track your finances and business performance, supporting you to make more informed decisions. It also may help you stay on track with smaller, more manageable payments, while saving you time by aligning better with your reconciliation processes.

Voluntarily moving to monthly GST reporting

Many small businesses have already moved to monthly GST reporting voluntarily. This has helped them improve their cash flow and keep their record keeping up to date.

Generally, small businesses that report their GST monthly find that:

- monthly reporting aligns better with other natural business processes
- cashflow management improves, which helps them make more informed business decisions
- making smaller, more manageable payments helps them meet their tax obligations.

Example: voluntary monthly reporting

Andrew and Sean have been running a small business delivering community art workshops and an online craft store for over 10 years. Their turnover ranges from \$450,000 to \$950,000 per year. Despite their success, they struggle to meet their tax obligations on time. As the business has grown, meeting quarterly reporting obligations has become even more challenging.



Their accountant has set up quarterly GST reporting on their behalf. They use a popular digital accounting software package for BAS preparation. But with the demands of running a busy business, along with their personal commitments, they develop a pattern of lodging and paying late.

After seeking advice from their accountant, they move to voluntary monthly reporting. This marks a turning point in their business. They find it easier to keep on track with accurate, up-to-date record-keeping, which helps them make better business decisions. Their cash flow management improves and by avoiding larger, quarterly payments, their risk of falling behind is reduced.

Keep up to date

Find out how to change your BAS lodgment cycle.

Learn more by taking our free self-paced online courses at:

- [Goods and services tax \(GST\)](#) 
- [Essentials to strengthen your small business](#) 

You can also:

- Subscribe to our free **Small business newsletter** to get updates that might impact your business.
- Contact your tax professional to obtain advice specific to your business needs.

QC 103861

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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