



PAYROLL UPDATES: STP, SUPER, AND TAX

As the 2025–2026 financial year draws to a close, employers must prepare for several critical payroll obligations mandated under Australian law. These include the upcoming Single Touch Payroll (STP) finalisation deadline, significant changes to superannuation payment timing, and annual payroll tax requirements across State and Territory jurisdictions. Proactive compliance is essential to avoid penalties and ensure smooth business operations.

STP Finalisation: ATO Deadline on 14 July 2026

Under the Australian Taxation Office (ATO) framework for Single Touch Payroll reporting, all employers are required to complete their STP finalisation by 14 July 2026.

This process formally declares that:

- Payroll data for the financial year is complete and accurate; and
- Employees' income statements are finalised and marked as "Tax Ready" for income tax return purposes.

Failure to comply may expose employers to administrative penalties under the Taxation Administration Act 1953 (Cth).

To ensure compliance, employers should:

- Reconcile payroll reports against financial records;
- Correct discrepancies involving superannuation, allowances, or employee terminations; and
- Submit any outstanding payroll data promptly.

Timely and accurate STP finalisation not only satisfies regulatory requirements but also ensures employees can lodge their tax returns without delay.

Payday Super: A Structural Shift Effective 1 July 2026

Effective 1 July 2026, amendments to the Superannuation Guarantee (Administration) Act 1992 (Cth) will require employers to remit superannuation contributions concurrently with each payroll cycle, replacing the previous quarterly payment system.

This reform reflects the government's policy objective of strengthening retirement savings protections and improving employer compliance.

Key implications for employers include:

- Super contributions must be processed on or before each pay run;

- Payroll systems and internal processes may require reconfiguration; and
- Cash flow management strategies must adapt to more frequent outflows.

Non-compliance will trigger the Superannuation Guarantee Charge (SGC), which includes interest and administrative penalties and is expressly non-deductible for tax purposes.

Employers are therefore strongly encouraged to review their payroll infrastructure ahead of implementation to mitigate operational disruption.

Annual Payroll Tax: State-Based Compliance Obligations
In addition to federal requirements, employers must also consider their obligations under State and Territory payroll tax regimes. These are governed by legislation such as the Payroll Tax Act 1971 (Qld) and its counterparts in other jurisdictions.

Employers may be required to:

- Assess total taxable wages against jurisdiction-specific thresholds;
- Lodge annual payroll tax reconciliations within prescribed deadlines; and
- Remit any outstanding payroll tax liabilities to avoid interest and penalties.

Importantly, businesses experiencing growth during the financial year may cross the relevant threshold and become liable for payroll tax registration. Given the jurisdictional complexity, particularly where employees are located across multiple States or Territories, legal and accounting guidance is advisable.

Professional Support and Compliance Strategy

Given the increasing regulatory scrutiny in payroll administration, engaging professional support can significantly reduce compliance risk. Bookkeeping and advisory services typically assist with:

- STP reconciliation and finalisation;
- Transitioning payroll systems for Payday Super compliance; and
- Payroll tax assessment, registration, and reconciliation.

Early preparation and structured review processes are key to ensuring that employers meet their statutory obligations efficiently and without penalty.