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MYPRM EBOOK · 2026–27 EDITION

Fix Your Business Cash Flow

A practical playbook for Brisbane business owners

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How to use this ebook. Each chapter stands alone and ends with its official sources (ATO, Services Australia, RBA, ASFA, Moneysmart, TPB and others). Figures are for 2026–27 or as stated, and can change; the online version of each chapter is listed at its end.

General information only. This ebook does not take into account your circumstances and is not tax, legal or financial advice. Rates and rules change; figures were checked against the official sources listed in each chapter as at 1 November 2026. Get advice for your business before acting.

CHAPTER 1

Cash flow vs profit: why a profitable business can still run short

The profit and loss says you made money. The bank account disagrees. Both can be right, because profit counts what you earned and cash counts when the money actually moved.

Where the profit goes

Take your profit for the year and walk it to your change in cash. The usual gaps are:

1. **Debtors grew.** Sales were booked, but customers haven't paid yet. In a growing business this gap gets bigger every month.
2. **Stock or work in progress grew.** Materials bought and labour paid on jobs not yet billed.
3. **Loan principal.** Repayments of principal leave the bank account but are not an expense in the P&L.
4. **Equipment purchases.** A ute or machine is cash out today, but only depreciation (or a write-off) shows as an expense.
5. **Tax timing.** GST and PAYG withholding collected sit in your account but belong to the ATO. Income tax on last year's profit is paid this year.
6. **Owner drawings and dividends.** Money taken out is not an expense either. In a company, loans to shareholders can also raise Division 7A issues.

A one-page bridge

Ask for a simple "profit to cash" bridge each quarter: profit, plus or minus the change in debtors, stock and creditors, less loan principal, equipment and drawings, equals change in cash. Once the owner can see it, the conversation changes from "where did the money go?" to "which lever do we pull?".

The levers

- Shorter payment terms, deposits and progress claims.
- Better pricing: markup vs margin, and job costing so losses show early.
- Financing big equipment instead of paying cash; see equipment and truck finance.
- Setting tax aside weekly: how much to set aside.
- A rolling 13-week forecast.

This is the core of what a fractional CFO does: turning the accounts into decisions.

Quick answers

Can a business be profitable and still run out of cash?

Yes. Growth in debtors and stock, loan principal repayments, equipment purchases, tax timing and owner drawings all use cash without reducing profit.

What is a profit to cash bridge?

A short reconciliation from profit to the change in your bank balance, showing movements in debtors, stock, creditors, loans, equipment and drawings.

Read online with live links: myprm.com.au/blog/cash-flow-vs-profit/

CHAPTER 2

The 13-week cash flow forecast: a simple guide for small business owners

Your profit and loss tells you what happened. A 13-week cash flow forecast tells you what is about to happen, while there is still time to do something about it.

Why 13 weeks

Thirteen weeks is one quarter. It's long enough to catch your next BAS, a super payment and a slow month, and short enough that the numbers are realistic. Update it weekly and it rolls forward with you.

What goes in it

- **Opening cash:** what's actually in the bank this Monday.
- **Cash in:** when customers will really pay, not when you invoice. Use your actual debtor days.
- **Cash out:** wages, rent, suppliers, loan and lease repayments, owner drawings.
- **The quiet ones:** GST and PAYG on the BAS, superannuation, income tax instalments, insurance renewals, registrations.
- **Closing cash:** opening plus in minus out. This week's closing is next week's opening.

How to build it in an hour

1. Make 13 columns, one per week, starting this Monday.
2. Put the big fixed items in first: wages, rent, loans.
3. Add the BAS and super due dates from your calendar.
4. Forecast customer receipts from your aged debtors list and pipeline.
5. Look for the lowest closing balance. That week is your problem week.

What to do with it

If a week dips below your comfort level, you have options while it's still weeks away: chase invoices earlier, move a purchase, talk to a supplier, set up a payment arrangement or arrange finance. Each one is easier with notice.

Each Monday, ten minutes

Replace last week's forecast with actuals, add a new week 13, and see whether the problem week moved. That habit alone puts you ahead of most businesses your size.

For a quick start, try the tax health check for a rough tax set-aside figure, and our BAS habits guide for due dates.

Quick answers

What is a 13-week cash flow forecast?

A week-by-week projection of cash in and cash out for the next quarter, updated weekly so it always looks 13 weeks ahead.

What do people forget to include?

GST and PAYG on the BAS, superannuation, income tax instalments and annual bills like insurance.

Read online with live links: myprm.com.au/blog/13-week-cash-flow-forecast/

CHAPTER 3

Cash flow forecasting for SMEs: a practical guide

A cash flow forecast tells you what will be in the bank, week by week, before it happens. It is the single most useful report a small business can run, and it does not need to be complicated.

What goes in

- **Opening bank balance** from your accounts.
- **Cash in:** when customers will actually pay, not when you invoice.
- **Cash out:** wages, super, suppliers, rent, loan repayments (including principal), equipment.
- **Tax:** GST and PAYG on your BAS cycle, income tax instalments. See BAS and tax due dates 2026–27.
- **Owner drawings.**

How often

Weekly for the next 13 weeks, monthly for the next 12 months. Compare forecast to actual each week; the gaps teach you where the assumptions are wrong.

Common mistakes

- Forecasting from profit rather than cash: see cash flow vs profit.
- Leaving out loan principal and GST.
- Assuming everyone pays on time.
- Building it once and never updating it.

Want help setting one up? That is a core part of our fractional CFO service, or try the business health check.

Quick answers

How far ahead should a cash flow forecast go?

A rolling 13-week weekly forecast plus a 12-month monthly forecast works for most SMEs.

What is the most common forecasting mistake?

Forecasting from profit instead of cash, and leaving out GST, PAYG and loan principal.

Sources

- [ATO: Due dates for lodging and paying your BAS](#)
- [business.gov.au: Cash flow](#)

Read online with live links: myprm.com.au/blog/cash-flow-forecasting-for-sme/

CHAPTER 4

Working capital explained: why profitable businesses still run out of cash

Working capital is the cash tied up in running the business day to day: money customers owe you, stock on the shelf and work in progress, less what you owe suppliers. Get it wrong and a growing, profitable business can still run short of cash.

The simple formula

Working capital = current assets (cash, debtors, stock) minus current liabilities (creditors, GST and PAYG owing, short-term loans). It is the gap between paying out and getting paid.

Three numbers to watch

- **Debtor days:** how long customers take to pay. $\text{Debtors} \div \text{annual sales} \times 365$.
- **Stock days:** how long stock sits before it sells.
- **Creditor days:** how long you take to pay suppliers.

Debtor days plus stock days minus creditor days is your cash conversion cycle: the number of days your own cash funds the business. The shorter, the better.

Five ways to release cash

1. Invoice the day the work is done, with clear terms and online payment.
2. Take deposits or progress payments on larger jobs: see progress claims and retentions.
3. Chase overdue accounts every week, not every month.
4. Cut slow-moving stock.
5. Agree supplier terms that match how you get paid.

Why growth makes it worse

More sales means more debtors and more stock before the cash arrives. Plan growth with a 13-week cash flow forecast and read cash flow vs profit.

Quick answers

What is working capital?

Current assets such as cash, debtors and stock, minus current liabilities such as creditors, tax owing and short-term loans.

How do I work out debtor days?

Divide debtors by annual sales and multiply by 365.

Sources

- [business.gov.au: Cash flow](#)
- [business.gov.au: Guide to managing cash flow](#)

Read online with live links: myprm.com.au/blog/working-capital-explained/

CHAPTER 5

How to get paid faster: nine fixes for slow-paying customers

Late payment is one of the most common reasons small businesses run short of cash. Most of the fix is process: clear terms, fast invoicing and a steady follow-up routine.

Before the work starts

1. **Put terms in writing:** due date, deposit, late fees if you charge them, and what happens if payment is late.
2. **Take a deposit** or stage payments on larger jobs.
3. **Check new customers**, especially for big orders on credit.

When you invoice

1. **Invoice the same day** the job finishes, not at month end.
2. **Make paying easy:** a pay-now link, card, bank transfer and clear reference details.
3. **Use shorter terms** where your industry allows, such as 7 or 14 days.

After the due date

1. **Automate reminders** before and after the due date in your accounting software.
2. **Phone at 7 days overdue.** A friendly call fixes most problems.
3. **Escalate in steps:** a formal letter of demand, then mediation or a debt recovery process. The [Australian Small Business and Family Enterprise Ombudsman](#) has resources on late payment and disputes. Builders and trades may have rights under Queensland security of payment law: see security of payment in Queensland.

Measure it

Track debtor days monthly. If it is rising, act early. See working capital explained and cash flow and BAS habits.

Quick answers

What is the quickest way to get paid faster?

Invoice the day the work is done, make paying easy with a pay-now link, and follow up straight after the due date.

What if a customer still will not pay?

Escalate in steps: phone call, letter of demand, then mediation or debt recovery. The ASBFEO has resources for small businesses.

Sources

- [business.gov.au: Payment terms](https://business.gov.au/payment-terms)
- [business.gov.au: What to do when you haven't been paid](https://business.gov.au/what-to-do-when-you-haven-t-been-paid)
- [ASBFEO: Australian Small Business and Family Enterprise Ombudsman](https://asbfed.org.au/)

Read online with live links: myprm.com.au/blog/get-paid-faster-small-business/

CHAPTER 6

The bucket system: separate bank accounts for tax, GST and wages

Most ATO debts start the same way: GST and PAYG sit in the main account, get spent on running the business, and the BAS arrives with nothing to pay it. A few extra bank accounts fix that.

The accounts

- **Operating:** where customer payments land and bills are paid.
- **GST:** move the GST portion of every receipt here.
- **PAYG withholding and super:** move these each pay run. With Payday Super, super is due with each pay: Payday Super for employers.
- **Income tax:** a percentage of profit for PAYG instalments and the final bill: PAYG instalments.
- **Buffer:** build toward one to three months of fixed costs.

Make it automatic

Set a weekly transfer day. Use your bank's sub-accounts or scheduled transfers. Many owners find a weekly 10-minute routine easier than a monthly scramble.

How much?

See how much tax to set aside. If you are already behind, read ATO payment plans.

Quick answers

Should I keep GST in a separate account?

It is a simple way to make sure the GST you collect is there when your BAS is due.

How often should I transfer tax money?

Weekly works well for most small businesses.

Sources

- [ATO: Due dates for lodging and paying your BAS](#)
- [business.gov.au: Guide to managing cash flow](https://business.gov.au/guide-to-managing-cash-flow)

Read online with live links: myprm.com.au/blog/separate-bank-accounts-for-tax-and-wages/

CHAPTER 7

Cash flow finance for small business: overdrafts, lines of credit, invoice finance and more

Sometimes a profitable business needs finance to bridge the gap between paying out and getting paid. The right product depends on why you are short, for how long, and what security you have.

The main options

- **Business overdraft:** flexible, linked to your transaction account; pay interest only on what you use. Usually needs security.
- **Line of credit:** similar, often for larger or seasonal needs.
- **Invoice finance:** borrow against unpaid invoices. Useful when customers pay slowly, but check fees and contract terms.
- **Equipment finance:** funds the asset so your cash stays in the business: equipment and truck finance.
- **Unsecured business loans:** fast but usually expensive. Read the true cost, not the weekly repayment.

Before you borrow

- Work out the cause: is it timing (finance can help) or a profit problem (finance makes it worse)? See working capital explained.
- Run a 13-week forecast showing how and when the money is repaid.
- Compare against the ATO's 11.51% interest if you are considering borrowing to clear a tax debt: GIC explained.
- With the cash rate at 4.60%, test repayments at higher rates.

What lenders check

Up-to-date financials and BAS, ATO compliance, a forecast, and security. See getting lender ready.

Quick answers

What is the best finance for a short-term cash gap?

Often an overdraft or line of credit for timing gaps, or invoice finance if slow-paying customers are the cause. Check total fees.

What do lenders want to see?

Current financials and BAS, ATO compliance, a cash flow forecast and security.

Sources

- [business.gov.au: Finance and funding](#)
- [business.gov.au: Guide to managing cash flow](#)

Read online with live links: myprm.com.au/blog/cash-flow-finance-options-small-business/

CHAPTER 8

The cash rate is 4.60%: a cash flow plan for small business

The Reserve Bank lifted the cash rate target to 4.60% from 30 September 2026, the fourth rise this year, and said it may raise again if needed. If your business carries debt, now is the time to stress-test.

Five steps this month

1. **List every variable-rate facility:** overdrafts, business loans, equipment finance, credit cards. Note the rate and the repayment.
2. **Stress-test repayments** at your current rate plus 0.5 and 1 percentage point. Can the business carry that from cash flow?
3. **Run a 13-week cash flow forecast** so a tight month shows up early.
4. **Tighten debtors:** shorter terms, deposits and progress claims reduce how much you need to borrow.
5. **Talk to your lender early** if the numbers are tight. See getting lender ready.

Do not forget the ATO

Higher interest costs often squeeze the money set aside for GST and PAYG. Keep tax money separate: how much tax to set aside, and if you are behind, what to do if you owe the ATO.

Quick answers

What is the RBA cash rate now?

4.60%, effective 30 September 2026. The next decision is due on 3 November 2026.

How should a small business respond to a rate rise?

Stress-test loan repayments, run a 13-week cash flow forecast, tighten debtor terms and talk to your lender early if cash is tight.

Sources

- [RBA: Cash rate target](#)
- [RBA: Monetary policy decision, 29 September 2026](#)

CHAPTER 9

The Christmas shutdown cash flow plan

For a lot of Queensland businesses, December looks busy and January looks empty. Wages, leave, super and the February BAS all land while invoices sit unpaid on someone else's desk. A few decisions made in early November make the whole period calmer.

1. Map the next 13 weeks now

Write down every week from now to the end of January: cash in (by customer, by realistic payment date) and cash out (wages, super, rent, suppliers, loan repayments, tax). The weeks where your customers close and you don't are where the gap shows up. Our 13-week cash flow forecast guide has the layout.

2. Bill early and chase before the break

- Invoice completed work the day it is done, not at month-end. A December invoice issued late may not be paid until February.
- Call your top ten debtors in November, ask when their last payment run is before Christmas, and get on it.
- For progress-claim work, put your final pre-Christmas claim in early. See GST on progress claims and retentions and security of payment in Queensland.

3. Plan wages, leave and super

You can only direct staff to take annual leave over a shutdown if their award or agreement allows it (or, for staff not covered by an award, if it is reasonable), and the Fair Work Ombudsman says affected employees generally need at least 28 days' written notice. If you plan to close, decide now. Then plan the money:

- **Payday Super:** from 1 July 2026, super must be received by the fund within 7 business days after each payday. Public holidays that apply across a whole state, such as Christmas Day, Boxing Day and New Year's Day, are not business days, but the ATO is clear there is no extension when payments are rejected or delayed. Paying super with wages is the safest habit.
- **Leave paid in advance** means a big pay run in December and a quiet one in January. Put both in the forecast.

4. Know your next tax dates

The October–December quarterly BAS is due **28 February 2027**, with no further agent extension. Monthly reporters lodge December by 21 January (or 21 February for eligible businesses up to \$10 million using an agent). Put the GST and PAYG withholding you collect in December into a separate account as it

comes in. All dates are in our 2026–27 due date calendar.

5. Parties and gifts: watch the FBT

A party on your premises on a working day for current staff only is generally FBT-exempt for the food and drink. Off-site events, partners and gifts are generally exempt only as minor benefits, under \$300 per person and not provided often. Exempt entertainment is also not tax-deductible. See Christmas parties, gifts and FBT.

6. Talk to the bank before you need it

If the forecast shows a January gap, ask about an overdraft limit or timing on loan repayments in November, with the forecast in hand. Asking early, with numbers, gets a better conversation than asking on 20 January.

Want the one-page version? Download the Christmas and January cash flow checklist (PDF, PRM).

Quick answers

When is the December quarter BAS due?

28 February 2027 for the October to December 2026 quarter. There is no further agent extension for this quarter.

Do public holidays count for Payday Super?

A day that is a public holiday for a whole state or territory is not a business day for the 7 business day timeframe, according to the ATO.

Can I make staff take annual leave over Christmas?

It depends on the award or agreement. Check the Fair Work Ombudsman guidance on shutdowns before you direct anyone to take leave.

Read online with live links: myprm.com.au/blog/christmas-shutdown-cash-flow-plan/

Want this applied to your situation?

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