

Payday super: Your cash flow plan

From 1 July 2026, super is due every pay run. Here's how to stay on top of payroll, keep cash flowing, and avoid surprises.



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How payday super *changes* the money leaving your business

First things first, what is payday super?

Super due dates are changing from 1 July 2026, when payday super begins. Instead of paying quarterly or monthly, employers will need to make their employees' super contributions at the same time as their wages, so the super fund receives them within 7 business days (1).

Payday super doesn't change how much you owe, but when you pay it, and that's exactly where cash flow pressure can build. Let us explain.

The real cash flow pressure points

Super is directly tied to wages. When wages go out, super goes out too, and under payday super, it leaves your account almost immediately.

If payroll timing (when you pay staff) doesn't match revenue timing (when money comes in from clients, customers, or contracts), you can end up feeling short on cash... even if profitable.

\$124,000

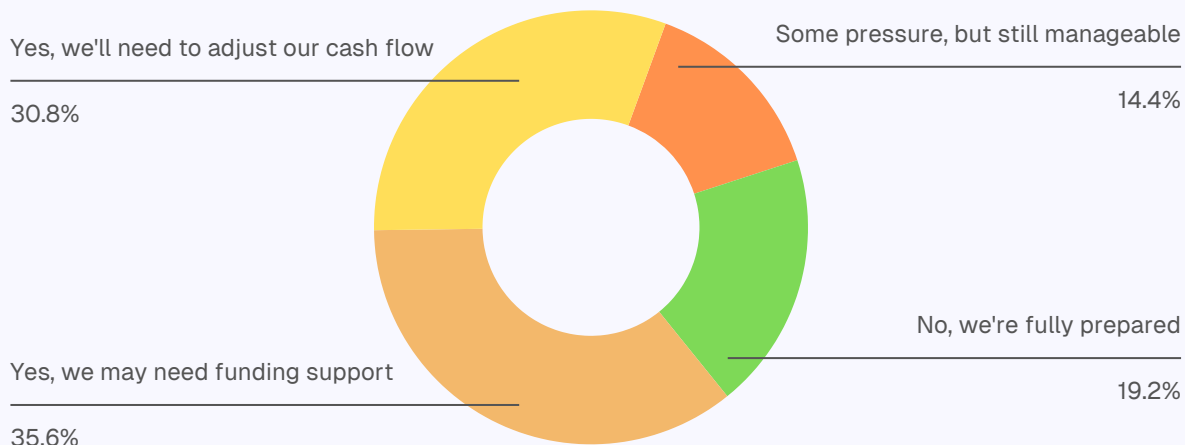
Average extra working capital businesses will need to meet new payday super rules (2).

That's a significant increase in cash that needs to be available at the same time payroll runs, especially for businesses with tight payment cycles.



We recently polled small businesses about the shift to payday super, and the results are clear: for most, it's going to put a real squeeze on cash flow (3).

Will payday super put pressure on your cash flow?



Example: When cash flow lags hit your account

- *You pay \$15,000 in wages + super on Friday*
- *Your clients don't pay \$20,000 invoices until the following week*
- *You're technically profitable, but your account may run low for a few days*

These cash flow hiccups don't happen by accident. Certain payroll and staffing patterns make them more likely:

- **Short payroll cycles:** Paying staff weekly or fortnightly means money leaves the business more often. With payday super, contributions are no longer bundled by quarter, so the outflow is constant.
- **Growing teams without growing buffers:** Hiring more staff immediately increases fixed costs, and if your cash buffer doesn't keep up, each new payroll cycle adds stress.

The good news? These patterns aren't necessarily bad; they're just timing challenges you can manage. Once you understand them, you can tweak payroll strategies and keep cash flowing steadily – all while staying on top of your super obligations.



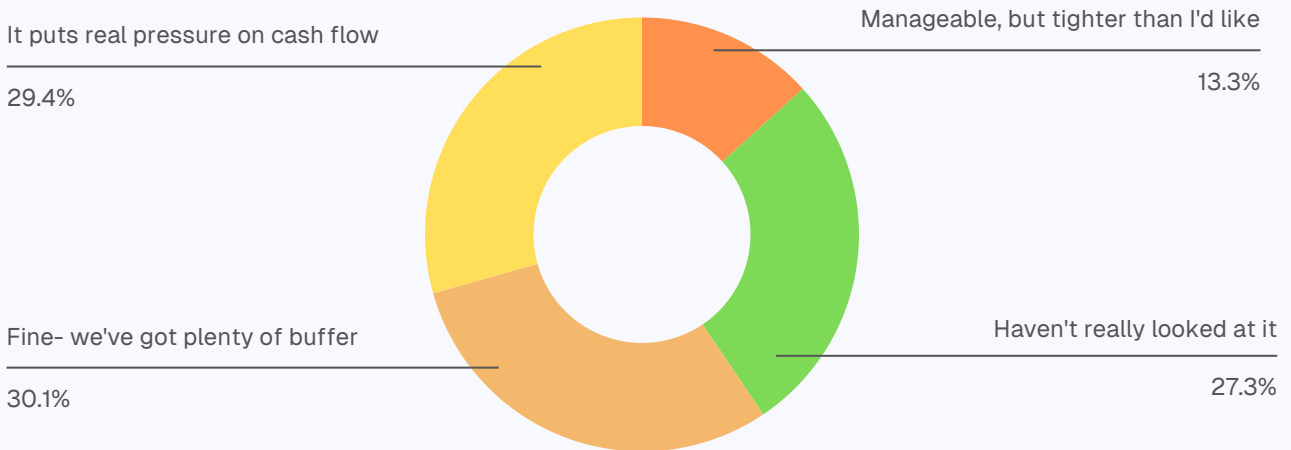
A common trap to avoid: Dipping into GST or tax accounts

When cash runs tight, some businesses temporarily dip into GST, tax, or savings accounts. Though it might feel harmless (after all, the money is "coming back next week"), repeated shortfalls can quickly snowball, especially once super is due every pay run.

Making payroll *work* with your cash flow

Payroll has always impacted cash flow – this isn't new. What is new is how visible that impact becomes with the payday super changes. With contributions leaving your account every pay cycle, payroll timing moves from background admin to an active planning decision.

We asked SMEs how payroll currently affects their cash flow:



Key takeaway:

About 3 in 10 businesses already feel pressure around payroll, and around 27% haven't examined the issue closely yet. When super contributions move to every pay run, payroll timing will become even more important to get right (4).



Our advice here is to focus on what you can control:



“How often should I pay staff to keep cash flowing smoothly?”

Weekly pay runs = smaller, more regular outflows. Fortnightly or monthly payrolls = fewer but larger payments. There isn't one right option that applies to every SME. Pick the schedule that suits your revenue predictability and buffer size.



“Am I looking far enough ahead to see upcoming payroll pressures?”

Planning payroll one pay run at a time won't cut it anymore. Think weeks or even months ahead to spot upcoming cash demands and prepare in advance.



“Does my cash plan reflect super as well as wages?”

Forecasting wages without super gives an incomplete picture. Include super to see your true cash position and avoid unpleasant surprises.

TOTAL POSTS

Forecasting for payday super

Taking time to forecast payroll means you can see potential shortfalls coming and prepare, rather than react.

What to include in your forecast

All pay components
Wages
Super
Allowances
Casual loading
Leave entitlements
Any applicable taxes

Revenue timing
When invoices are due
When you're expecting customer payments
Seasonal fluctuations

Predicted cash flow gaps
Periods when you expect outflows to exceed inflows

Payroll forecasting in 6 steps

1. Review historical data to spot patterns and trends
2. List current employees and planned hires to calculate the total salary expense
3. Factor in planned growth: new hires, overtime, seasonal staffing changes
4. Calculate total employment cost (that's gross salary + super + other on-costs)
5. Develop a timeline for the next 12 months and map out payments
6. Monitor and adjust over time for unexpected changes like staff turnover or overtime

Building a *buffer* before payday super *bites*

Once you know when cash is coming in and going out, you can start creating a buffer to bridge short-term timing gaps between pay runs and payments. Instead of scrambling to cover super, you have time (and money) to act proactively.



“How big should my buffer be?”

There’s no one-size-fits-all answer here; it all depends on how big your team is, how often you pay them, how predictable your revenue is, and how long clients usually take to pay invoices.

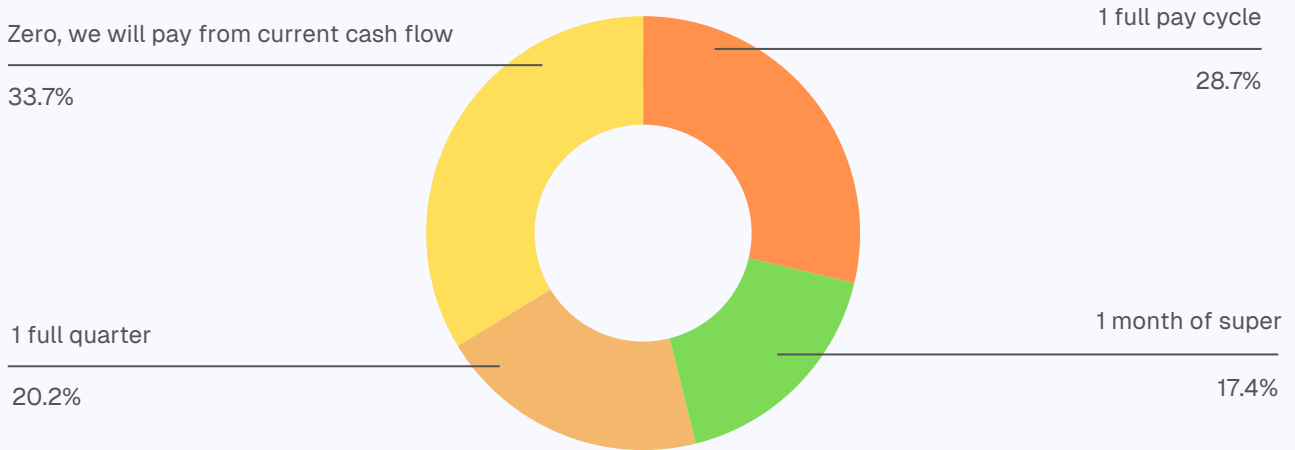
Rather than aiming for a fixed dollar amount, ask yourself, “How much do I need to comfortably cover X pay runs?”

This approach keeps your buffer aligned with the real demands of your payroll and makes it easier to adjust as your team grows or your pay cycles change.

Now, while a buffer can buy you time and flexibility, it doesn't fix structural cash flow issues. When growth, seasonality, or payment delays stretch beyond those savings, it may be time to look at cash flow solutions.



We asked SMEs how they're preparing cash buffers for payday super:



Key takeaway:

Over a third of SMEs (34%) aren't setting aside any buffer for payday super, leaving them exposed to cash flow pressure when timing shifts. Most others are only building short buffers, suggesting preparation is still reactive rather than planned (5).



When *cash flow* needs support

How businesses can prepare for payday super with funding options to keep cash moving:

Line of credit

Best for: SMEs with fluctuating cash flow but consistent income over time.

A **business line of credit** gives you access to funds up to a set limit, which you can tap into whenever you need to, only paying interest on the amount that you use. The funds are available to you for a specific period of time, within which you can withdraw whatever amount you need.

How it helps with payday super and payroll

- Flexible access to funds when cash flow gaps appear
- Reusable facility, so repayments restore your available balance
- Predictable access for seasonal peaks or slower weeks



Overdraft

Best for: Businesses that need quick access to funds without arranging a separate loan.

With a **business overdraft**, your business can spend more than it has in its transaction account, up to an approved limit. It works as a revolving credit: you access funds as needed, repay them, and then use them again.

How it helps with payday super and payroll

- Immediate safety net if payroll is due before revenue arrives
- Built into your business account, no separate loan setup require



Invoice finance

Best for: Businesses with large invoices, long payment terms, or seasonal clients.

Invoice finance lets you access cash tied up in unpaid invoices, so you can stay on top of outgoing payments and reduce the financial stress of late payments.

How it helps with payday super and payroll

- Unlocks cash from unpaid invoices to fund pay runs
- Can be used selectively to finance invoices due after payroll



Debt consolidation

Best for: Businesses with existing debts wanting to reduce repayment pressure.

If current repayments consume too much cash each month, restructuring them before July can make a big difference. With consolidation, you can combine multiple obligations into a single, lower-interest loan, so you can manage everything through one monthly repayment.

How it helps with payday super and payroll

- Combines repayments into a single, manageable monthly payment
- Frees up cash previously spread across multiple obligations
- Simplifies cash flow forecasting



Unlocking equity in assets

Best for: Businesses with existing equipment, vehicles, or property.

Accessing the equity tied up in business assets lets you free up working capital for expenses like super contributions. Instead of taking on new (potentially high-interest) loans, you can use the value in these untapped resources to fund your pay runs.

How it helps with payday super and payroll

- Access cash tied up in assets instead of taking on new loans
 - Provides flexibility to manage seasonal or growth-related cash flow
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What *not* to do

Cash flow pressure often comes down to how decisions are made, not just the numbers. As payday super approaches, it's just as important to know what not to do as it is to know which levers to pull.

Don't:

- Leave funding decisions until payroll day (this usually means fewer options and more stress)
- Rely on short-term solutions without fixing the structural issues
- Layer multiple products or make reactive changes without a clear plan
- Ignore the realities of your industry, be it payment terms, seasonality, and staffing norms



Payday super impact by sector

Payday super affects every industry differently. Here's where cash flow pressure is most likely to appear, and some practical steps to manage it.



Trades & construction

Pressure points

- Wages paid weekly or fortnightly before invoices arrive
- Subcontractor-heavy workforce increases volatility
- Project delays push back payments

Smart move: Forecast payroll around progress payments to avoid timing gaps.



Hospitality

Pressure points

- Weekly payroll eating into thin margins
- Casual staff numbers shifting week-to-week
- Revenue dips during quieter periods

Smart move: Plan staffing and buffers around seasonal peaks and lulls.



Retail

Pressure points

- Revenue swings from promotions or seasonal peaks
- Seasonal hires increase payroll before cash lands
- Inventory ties up capita

Smart move: Align pay cycles with expected sales and seasonal staffing.



Healthcare & NDIS providers

Pressure points

- Payment delays from insurers or government bodies
- High labour costs relative to revenue
- Frequent roster changes

Smart move: Time payroll to match expected cash receipts and roster changes.



Logistics & transport

Pressure points

- Weekly payroll alongside variable costs like fuel or repairs
- Long invoice cycles for big customers
- Tight margins make timing critical

Smart move: Smooth payroll timing against operating cost spikes and invoice cycles.



Facility services

Pressure points

- Large weekly payroll for workforce-heavy contracts
- Fixed contract pricing limits margin flexibility
- Payroll can outpace cash buffers

Smart move: Build buffers as headcount grows and schedule pay runs around contract payments.

Cross-sector cash flow wins

- **Renegotiate supplier terms:** Stretching payables can help smooth timing gaps.
- **Reduce lumpy expenses where possible:** Avoid big one-off payments around payroll dates.
- **Secure funding lines early:** Set up finance before July 2026, when you're calm and eligible, not on payroll day when options shrink.
- **Pre-fund payroll:** Keep a small cushion to cover weekly or fortnightly runs.
- **Keep numbers aligned:** Monitor forecasts so revenue, payroll, and super stay in sync



Need a hand with payday super?

Payday super changes the rhythm of your payroll, but with the right funding, you stay in control. Valiant offers tailored solutions that help SMEs manage super contributions, payroll timing, and seasonal gaps without stress.

[Check your options](#) and secure the funding you need today.

☎ 1300 780 568

➤ valiantfinance.com

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