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WEALTH & SUPER MATTERS

Superannuation strategies and your personal guide to wealth creation

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Payday Super is Coming: Is Your Cash Flow Ready?

*While 1 July 2026 may feel a long way off, the introduction of **Payday Super** is shaping up to be one of the most significant changes to Australian payroll in decades.*

For small business owners, this isn't just another box to tick. It's a meaningful shift in how superannuation is paid and how day-to-day cash flow is managed. Understanding what's coming now can help you plan ahead, avoid surprises, and feel more confident about how this change will affect your business.

Here is what you need to know to prepare your business for the transition.

THE END OF THE QUARTERLY BUFFER

Currently, many businesses treat superannuation liabilities as a temporary source of working capital, holding funds for up to 28 days after the end of a quarter.

Under the new regime, that buffer will disappear.

From **1 July 2026**, Superannuation Guarantee (SG) contributions will need to be paid **at the same time as salary and wages**. In practical terms, if you run a weekly payroll - for example, every Thursday - super will be paid on that same day.

For many businesses, this means cash will leave the business **8 to 10 weeks earlier** than under the current quarterly system, a significant shift for day-to-day cash flow planning.

TIGHTER TIMEFRAMES TO BE AWARE OF

The new timing rules are strict. Super contributions must be **received by the employee's super fund within seven business days of payday**.

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It's important to note that initiating the payment on day seven may not be enough. If your clearing house takes several days to process the payment, it could still be considered late.

Late payments will trigger a new Super Guarantee Charge (SGC). While this new SGC will be tax-deductible, it will include **interest that compounds daily**, which can add up quickly. The ATO will also have much greater visibility through Single Touch Payroll (STP), making it far easier to identify late payments as they happen.

A SMALL CHANGE TO HOW SUPER IS CALCULATED

Super will no longer be calculated on "Ordinary Time Earnings" (OTE). Instead, it will be based on "Qualifying Earnings" (QE). While QE is very similar to OTE, payroll systems will need to be updated to report both QE and super liabilities correctly through STP.

This is a good time to check that your payroll software is ready for the change. Your accountant can help you confirm whether everything is set up correctly.

THE ACTION PLAN FOR TODAY

To avoid liquidity stress in 2026, it is recommended to review your cash flow forecasts now.

You may need to:

- Adjust your payroll cycle (e.g., moving from weekly to fortnightly) if cash flow is tight.
- Select a commercial clearing house to replace the SBSCH.
- Update your payroll software to handle "Qualifying Earnings".

If you would like to model how these changes will affect your specific cash flow situation, start a conversation with us.

The Transition Year Trap

As superannuation contribution rates and reporting obligations evolve, the transition year can quietly create unintended consequences for both employers and employees. One of the most significant - and easily overlooked - risks arises from the timing of super guarantee payments.

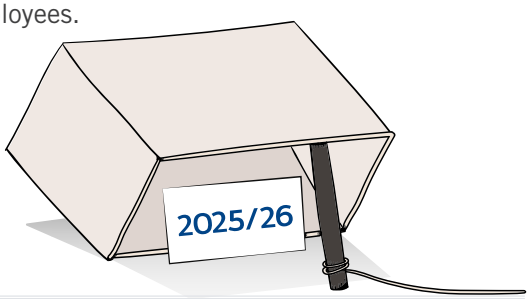
Under the current system, the final quarterly super payment for the 2025–26 financial year will be due in July 2026. This creates a potential timing mismatch, where some employees may effectively receive up to **15 months' worth of concessional super contributions in a single tax year**. While nothing improper has occurred, the result can be a very real tax issue.

For employees, this concentration of contributions may push total concessional contributions over the annual cap. Exceeding the cap can trigger additional tax, reduce the tax effectiveness of salary sacrifice arrangements, and create administrative complexity at tax time. Many employees may be caught off guard, particularly those already making voluntary concessional contributions or participating in salary sacrifice arrangements.

For employers, this isn't simply an employee issue. Unexpected outcomes can lead to questions, confusion, and dissatisfaction - especially if employees feel blindsided by a tax bill they didn't anticipate.

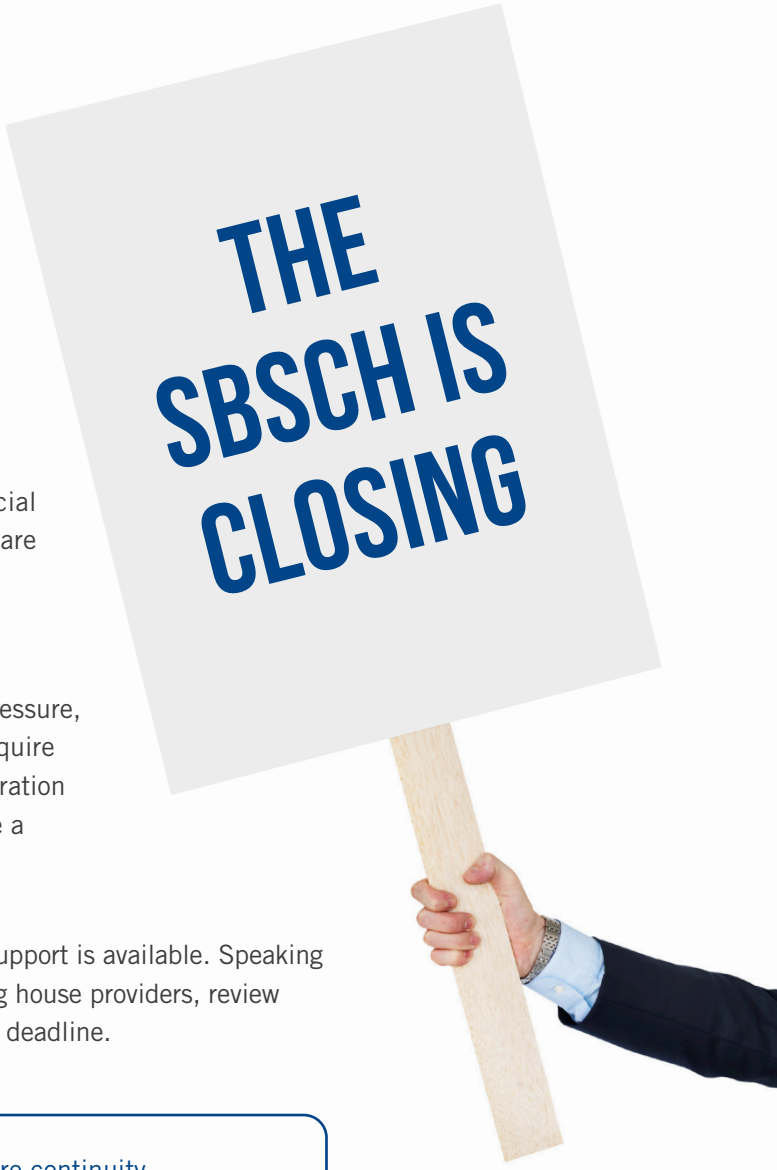
While the government has indicated that measures may be introduced to prevent unfair outcomes during this transition, the details and timing of those measures remain uncertain. Relying on future fixes can be risky.

The most effective response is **early planning**. Reviewing payroll timing, contribution strategies, and employee communication now can significantly reduce the likelihood of issues arising later. Proactive advice during the transition year can make the process smoother, more transparent, and far less stressful - for both businesses and their employees.



Important Note: The SBSCH Is Closing

*If your business currently relies on the ATO's free **Small Business Superannuation Clearing House (SBSCH)**, now is the time to start planning ahead. The SBSCH will **permanently close on 1 July 2026**, and after this date, it will no longer be available for processing superannuation payments.*



While that deadline may feel some way off, the change is significant. Once the SBSCH closes, businesses will need to have an alternative solution in place to continue meeting their superannuation obligations correctly and on time. In practical terms, this means either transitioning to a commercial superannuation clearing house or ensuring your payroll software is fully SuperStream-compliant and capable of handling contributions directly.

Leaving this until the last minute could create unnecessary pressure, particularly if new software needs to be implemented, staff require training, or payroll processes need to be adjusted. Early preparation allows time to compare options, understand costs, and choose a solution that aligns with your business's operations.

If you're unsure which path is right for you or where to begin, support is available. Speaking with your accountant early can help you assess suitable clearing house providers, review your payroll setup, and plan a smooth transition well before the deadline.

Taking proactive steps now can help ensure continuity, compliance, and peace of mind as the SBSCH winds down.

QUICK REMINDERS

The SBSCH will permanently close on
1 July 2026

Transition to a commercial
Superannuation clearing house
or
Ensuring your payroll software is fully
SuperStream-compliant

Speak with your
Accountant

How an Accountant Can Help When Buying or Selling a Home

Buying or selling a home is one of the most significant financial decisions many people make, and it's also one of the most complex.

From understanding tax implications to navigating loans and other costs, having a trusted accountant on your side can make a real difference.

One of the key ways an accountant can help is by **clarifying the financial picture**. Before buying, they can review your income, savings, and borrowing capacity to help you understand what you can realistically afford.

They can also advise on **tax considerations**, such as how capital gains tax might apply if you're selling an investment property, or what stamp duty concessions you may be eligible for as a first-time buyer.

Accountants can also guide clients through the **hidden costs of buying or selling**, including legal fees, agent commissions, loan application costs, and insurance. By helping you anticipate these expenses, they ensure there are no unwelcome surprises along the way.

For investors or those with multiple properties, accountants provide advice on structuring purchases or sales in the most tax-effective way. They can also assist with strategies for maximising deductions, such as interest on investment loans, depreciation on fixtures, and other eligible expenses.

Even beyond the numbers, accountants act as navigators through the terminology and processes of property transactions. Concepts like pre-approvals, deposit structures, settlement dates, and conveyancing can be confusing - your accountant can break these down and explain what each means for your finances.

Ultimately, having an accountant involved doesn't just provide clarity - it gives confidence. Whether you're buying your first home, upgrading, or managing an investment property, professional guidance can help ensure the decisions you make today support your financial goals for years to come.

Why Disability and Support Providers Must Get Government Payment Reporting Right

If your business provides disability support, aged care, child care or other services under government-funded programs, it's important to understand how these payments should be treated for tax purposes. The Australian Taxation Office (ATO) has recently emphasised that income received from government payment programs needs to be correctly reported and included in your tax return to avoid compliance issues or penalties.

Many service providers receive substantial payments from Commonwealth agencies such as the National Disability Insurance Agency (NDIA) to deliver essential support services. While the intention behind these programs is to benefit the community, the payments themselves usually count as assessable income and must be included in the entity's tax return in the correct category.

Australian Government
Australian Taxation Office

THE ATO'S GUIDANCE STRESSES THAT PROVIDERS SHOULD:

- Maintain accurate records of all government payments received, including documentation about the nature and purpose of each payment.
- Report income in the right place on tax forms, such as categorising government program income correctly according to the instructions for your tax return.
- Meet lodgment timelines to ensure tax returns are submitted on time, helping avoid penalties or unnecessary ATO attention.

This focus on proper reporting aligns with the ATO's Government Payments Program (GPP), a cross-agency initiative designed to improve transparency and fairness across Commonwealth payment systems. As part of this program, the ATO uses data received from participating agencies to identify where payments have been made and to match this information against tax records.

For disability and support providers, this means the ATO has a clearer view of the income you receive from government contracts. Incorrect reporting - or failing to report income at all - can trigger compliance reviews, requests for amendments, or penalties. With data-matching programs in place, the ATO is better equipped to detect discrepancies and follow up with taxpayers to ensure obligations are met.

If you're unsure how a particular government payment should be classified or reported, it's wise to seek tailored advice. Ensuring your financial records and tax returns are accurate helps protect your business and keeps you focused on delivering the services your clients rely on.

Gold Is Shining – But Diversification Still Matters

Gold has been back in the spotlight, with prices climbing as investors respond to global uncertainty, inflation concerns, and ongoing market volatility. For many, gold feels like a safe place to park money when other markets feel unpredictable.

But while gold often performs well during uncertain times, it's still part of a broader metals market that includes silver, copper, lithium, and other commodities. These markets are highly sensitive to global events, supply disruptions, and changes in demand - meaning prices can move quickly in either direction.

Relying too heavily on one asset, even one as well-known as gold, can increase risk. A sudden shift in market sentiment or economic conditions can have a disproportionate impact if too much of your portfolio is concentrated in a single area.

That's why diversification remains one of the most important principles of investing.

Even within commodities, diversification helps. Holding a mix of metals or combining physical assets with ETFs or listed companies can provide exposure to growth while reducing the impact of sharp price swings.

The key takeaway is simple: metals like gold can play an important role in a portfolio, but they work best as part of a balanced strategy rather than a standalone solution.

By spreading investments across a range of assets, you create a more resilient portfolio - one that's better positioned to weather volatility and support your long-term financial goals.

If you'd like help reviewing whether your current investments are properly diversified, speak with a licensed financial adviser about building a strategy that suits your goals and risk tolerance.

A DIVERSIFIED PORTFOLIO SPREADS RISK ACROSS DIFFERENT ASSET CLASSES, SUCH AS:

- Shares and managed funds
- Property
- Commodities, including metals
- Cash and fixed interest

What Does an RBA Rate Increase Mean, Especially After a Long Run of Cuts?

When the Reserve Bank of Australia (RBA) increases the cash rate after a prolonged period of cuts or stability, it's more than a simple change in borrowing costs. It marks a shift in economic direction - and it often catches households and businesses off guard.

After numerous rate decreases, consumers and businesses typically become accustomed to cheap money. Borrowing feels manageable, asset prices are rising, and cash flow pressures are easing.

A rate increase breaks that pattern and signals that the RBA believes economic conditions have strengthened enough - or inflation has become persistent enough - to warrant tightening.

WHY WOULD THE RBA INCREASE RATES AFTER CUTTING THEM FOR SO LONG?

The most common driver is inflation. If prices are rising too quickly, the RBA uses rate increases to slow spending and borrowing. Higher interest rates reduce demand, which can help stabilise prices over time. In other words, the RBA isn't reacting to where the economy has been, but where it thinks it's heading.

WHAT DOES THIS MEAN FOR HOUSEHOLDS?

For borrowers, particularly those with variable-rate mortgages, repayments increase - sometimes quickly. This can squeeze household budgets and reduce discretionary spending. For savers, however, higher rates can finally mean better returns on cash and term deposits after years of low yields.

Importantly, the *first* rate increase often has a psychological impact beyond its dollar value. It resets expectations. Many people begin to factor in the possibility of further increases, even if the RBA signals a cautious approach.

WHAT ABOUT BUSINESSES?

Businesses may see higher financing costs, which can affect expansion plans, cash flow management, and pricing decisions. At the same time, a rate increase often reflects underlying economic resilience - stronger employment, consumer demand, or wage growth - which can support revenue in the short to medium term.

THE BROADER TAKEAWAY

A first-rate rise after multiple cuts is a reminder that economic cycles turn. Strategies built around low interest rates may need reassessing, whether that's debt levels, investment allocations, or savings plans. Flexibility and diversification become increasingly important as conditions shift.

In short, it's not just a rate increase - it's a signal that the economic environment is changing, and planning needs to change with it.

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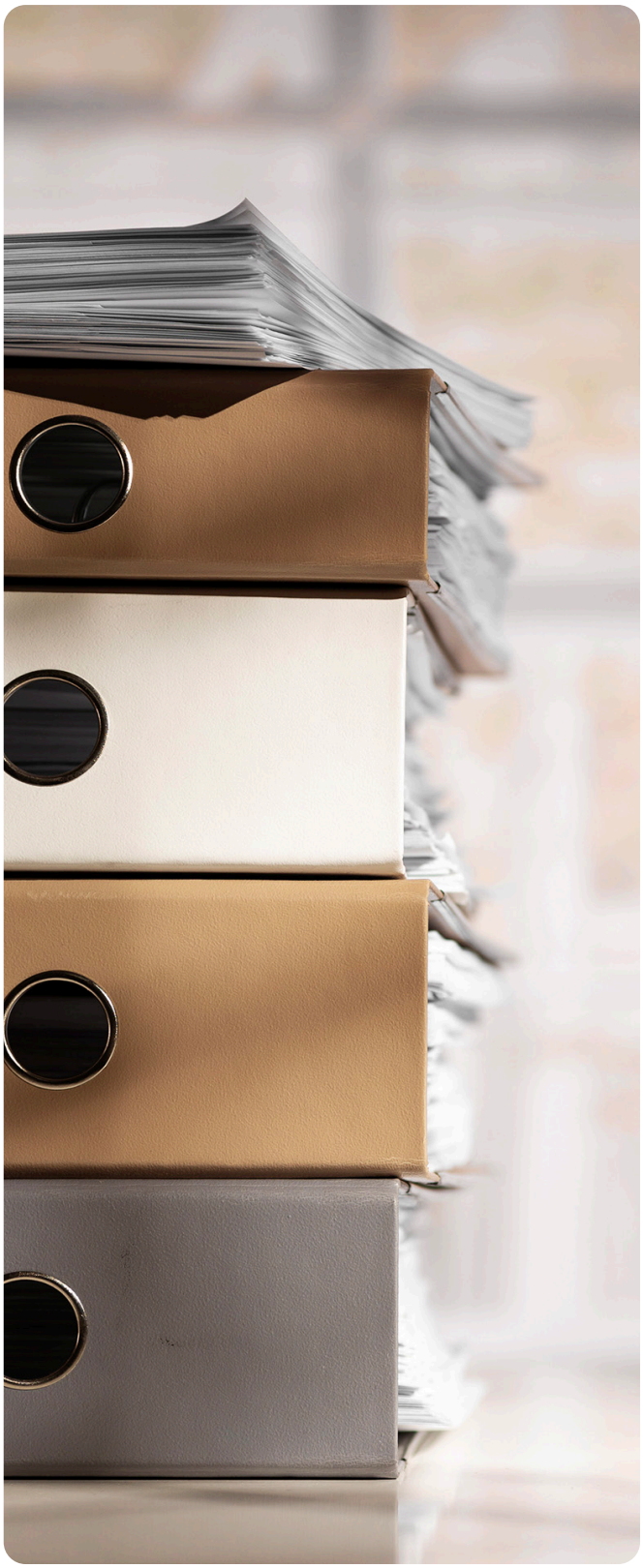
Why Keeping Audit Documentation Up to Date Matters



*If you're involved with a self-managed super fund (SMSF), understanding the role of **audit documentation** is crucial. The Australian Taxation Office (ATO) has emphasised that good audit documentation isn't just a formality - it's an essential part of demonstrating that an audit has been performed properly and that the fund complies with legal and regulatory requirements.*

At its core, audit documentation provides a clear record of the procedures undertaken, the evidence obtained, and the professional judgments made during an audit. It must explain how conclusions were reached and support the auditor's opinion on the fund's financial statements and compliance. Without detailed documentation, even a technically correct audit opinion may be questioned by the regulator.

The ATO has highlighted common deficiencies in audit files, such as notes that lack explanation of how conclusions were reached or generic checklist ticks without supporting detail. These gaps can raise red flags during reviews and may result in referral to oversight bodies, compliance scrutiny or questions about an auditor's adherence to professional standards.

From a trustee's perspective, up-to-date documentation also streamlines the audit process, reduces delays, and lowers the risk of unexpected issues at year's end. Well-organised records - including engagement letters, working papers, audit plans and evidence - ensure that auditors can work efficiently and with confidence.

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