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WEALTH & SUPER MATTERS

Superannuation strategies and your personal guide to wealth creation

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Part 01 Tax & Business Strategy

Act Before 30 June: Your Trust Distribution Deadline

THE DEADLINE THAT CANNOT BE MISSED

If your family or business runs a discretionary trust, there is one date that you simply cannot miss: 30 June. Each financial year, the trustee must make a formal, written resolution setting out how the trust's income will be distributed among its beneficiaries — and that resolution must be signed and dated before midnight on 30 June. No exceptions.

Miss the deadline and the consequences kick in immediately. The ATO will tax any undistributed trust income at the top marginal rate of 45%, plus the Medicare Levy.

This is not something that can be argued away after the fact. The 2025 Goldenville Family Trust case made this crystal clear: the ATO is actively rejecting resolutions that look like they were prepared after the event, and is scrutinising documentation for any signs of backdating.

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The resolution does not need to include exact dollar amounts — a reasonable estimate and a clear statement of each beneficiary's entitlement is fine. But it must be in writing and dated on or before 30 June.

WHAT'S HAPPENING WITH THE BUCKET COMPANY STRATEGY?

This year may also mark the beginning of the end for one of the most well-known strategies in Australian tax planning: the bucket company. A bucket company is a private company used as a trust beneficiary, designed to capture trust income at the flat 25–30% corporate tax rate rather than having it flow through to individuals at higher marginal rates.

The Government's proposed 30% minimum tax on discretionary trust income — if it passes — would largely remove this benefit. Under the proposed rules, corporate beneficiaries would not receive a credit for tax already paid at the trustee level, which could create double taxation and make the structure far less attractive, or even counterproductive. No legislation has passed yet, and the proposal is still being consulted on. But with the changes flagged for 1 July 2028, the 2025–26 and 2026–27 financial years are likely the last two where the bucket company strategy works freely in its current form. If you are currently using this structure, it is worth a conversation before the rules change.

If your family or business has a discretionary trust, we need to finalise your distribution resolution before 30 June — this is a hard deadline with no exceptions. Please contact us as soon as possible so we can work through your trust's distribution strategy together.

Payday Super Starts 1 July — Is Your Payroll Ready?

WHAT IS CHANGING

From 1 July 2026, Payday Super changes the way employers pay superannuation. Instead of the current system — where super can be paid quarterly — employers will now need to pay super on every single payday, with those contributions landing in the employee's fund within 7 business days. For many small business owners, this will mean real changes to payroll processes, cash flow planning, and possibly the software or clearing house used to make super payments.

Under the current rules, employers have until the 28th day after each quarter ends to pay super. From 1 July, that quarterly buffer disappears. Super becomes a real-time obligation — calculated and paid every pay cycle, whether that's weekly, fortnightly, or monthly. The ATO will also be matching Single Touch Payroll (STP) data against super fund receipt records in near real time, meaning it will know almost immediately if a contribution is late.

THE PENALTIES FOR GETTING IT WRONG

If super contributions do not reach an employee's fund within 7 business days of payday, the Superannuation Guarantee Charge (SGC) automatically applies. The SGC includes notional earnings (interest compounding daily), plus an administrative uplift of up to 60% of the shortfall — which can be reduced for clean compliance records or timely voluntary disclosure. From 1 July 2026, penalties for unpaid SGC are 25% or 50% of the unpaid amount (depending on prior history), applying if the SGC remains unpaid 28 days after assessment. The 7-day window extends to 20 business days for the first contribution to a new employee's fund.

THREE THINGS TO CHECK RIGHT NOW

Check your payroll software. Confirm with your provider that their system is ready for Payday Super from 1 July. Most major providers — Xero, MYOB, Employment Hero, KeyPay — are on board, but you need to confirm your specific version and settings are correctly configured.

Check your clearing house. The ATO's free Small Business Superannuation Clearing House (SBSCH) is closing. If you currently use it, you must switch to a SuperStream-compliant alternative before 1 July. Do not leave this until the last week.

Check your cash flow. Paying super every pay run instead of quarterly means cash leaves your account far more frequently. If your business relies on the quarterly super buffer to manage cash flow, you need to plan for this change now.

The shift to Payday Super requires action before 1 July — your payroll software, clearing house arrangements, and cash flow all need reviewing now. Please get in touch so we can make sure everything is in order before the first pay run under the new rules.

How the Budget's New Trust Tax Affects Your Will

WHAT THE GOVERNMENT HAS ANNOUNCED

The 2026 Budget proposes a 30% minimum tax on the taxable income of discretionary trusts, to take effect from 1 July 2028. This includes testamentary discretionary trusts — trusts created through a will. Under the current rules, trust income flows through to beneficiaries and is taxed at their individual rates. The proposed change would require the trustee to pay at least 30% tax before any distribution is made.

The proposal draws a clear line: discretionary testamentary trusts already in existence at Budget night (12 May 2026) are expected to be excluded; those established after Budget night will be subject to the 30% minimum tax; and fixed testamentary trusts are explicitly excluded altogether. No legislation has been introduced yet — the design is still being consulted on and may change.

WHY YOUR WILL NEEDS TO BE BUILT FOR FLEXIBILITY

The instinctive reaction might be to simply set up a fixed trust in your will instead of a discretionary one, and avoid the tax entirely. The problem is that this trades a potential future tax cost for an immediate and very real loss of protection. The primary purpose of a discretionary testamentary trust has always been asset protection — not just tax minimisation.

A discretionary trust gives the trustee the power to decide each year who among a class of beneficiaries receives income and capital. No beneficiary has a fixed, attachable interest in the trust assets — which makes it far harder for creditors, a separating spouse, or a litigation claimant to get their hands on the estate's wealth. A fixed trust, by contrast, locks in each beneficiary's entitlement — and that fixed interest can, in many circumstances, be reached by creditors or taken into account in family law proceedings.

THE SOLUTION:

A WILL THAT KEEPS OPTIONS OPEN

A well-constructed will can give the executor the power to set up either a discretionary or a fixed testamentary trust — or a combination of both — depending on the law and circumstances at the time of death. If the 30% tax passes, the executor can assess whether a fixed trust better serves a beneficiary's needs. If the law changes or doesn't pass, the full discretionary trust option remains on the table.

Those who do not yet have a will — or whose will does not include testamentary trust provisions — are in the most urgent position. A will drafted now with a flexible executor power preserves all options, protects beneficiaries in the interim, and can be refined once the legislation is settled.

If you have a will that includes testamentary trust provisions — or if you do not yet have a will — now is a good time to review your estate plan in light of the proposed changes. We are happy to walk you through what this means for you and how to keep your options open — please reach out to arrange a time.

Don't Let the Tax Tail Wag the Investment Dog

WHAT IS CHANGING WITH NEGATIVE GEARING

From 1 July 2027, negative gearing on residential investment properties will be limited to new builds. Investors who purchased an established property before 7:30pm AEST on 12 May 2026 keep their existing arrangements until they sell. Anyone buying an established residential property after that date will no longer be able to offset rental losses against their broader income — losses will be quarantined and can only be applied against future residential property income.

At the same time, the 50% capital gains tax (CGT) discount will be replaced by inflation-adjusted indexation from 1 July 2027 for most assets, with new builds offered a choice between the old and new arrangements. In short: new properties get the tax benefits. Established properties purchased after 12 May 2026 do not.

THE TAX BENEFIT IS REAL — BUT SO IS THE GROWTH GAP

New properties typically cost more than comparable established homes and tend to grow in value more slowly. When you buy new, you're paying at the top of the construction cost curve with no land value appreciation built in yet. New estates often lack the scarcity and established amenity that drives long-term growth in established suburbs.

Historically, established properties in quality locations have consistently outperformed new builds in capital growth by around 1% per year. Consider an $800,000 purchase: an established property growing at 6% per year reaches approximately $2.57 million after 20 years; a new build at 5% reaches approximately $2.12 million — a difference of more than $445,000 on the same starting price. Compare that to the tax benefit: at the top marginal rate of 45%, negatively gearing $15,000 per year saves around $6,750 in tax annually — roughly $33,750 over five years. Meaningful, but a fraction of the long-term growth difference.

WHAT INVESTORS SHOULD ACTUALLY BE ASKING

The right question is not "which property gives me the tax benefit?" The right question is: "which property will build the most wealth?" That means focusing on fundamentals — location scarcity, proximity to employment, infrastructure investment, rental demand, and the quality of the land component relative to the building. A new apartment in an oversupplied area with negative gearing is still a weaker investment than a well-located established property without it.

If losing negative gearing on an established property creates real serviceability pressure, that is a genuine constraint worth planning around. But if the numbers work without the deduction, the long-term growth case for quality established property remains compelling. Tax rules change. Good locations do not.

Property investment decisions are best made on the fundamentals — and with the negative gearing rules changing from 1 July 2027, it is worth reviewing your strategy sooner rather than later. Give us a call to discuss how these changes might affect your current or planned investments.

Part 02 Wealth & Super

CGT Reform Is Now Before Parliament — And There's a Detail You May Have Missed

The Federal Government's proposed overhaul of capital gains tax has moved from Budget announcement to legislation. On 28 May 2026, the Treasurer introduced the Treasury Laws Amendment (Tax Reform No. 1) Bill 2026 and the Income Tax Rates Amendment (Tax Reform No. 1) Bill 2026 into Parliament. These are no longer just proposals — they are drafted law, subject to parliamentary debate and Senate passage. This is moving fast, and if you hold assets with significant gains, we should talk now rather than later.

WHAT THE BILL ACTUALLY DOES

The core framework in the Bill replaces the 50% CGT discount for individuals, trusts, and partnerships with cost base indexation for gains accruing from 1 July 2027, combined with a 30% minimum tax on those gains. Any gain accruing before 1 July 2027 retains the existing 50% discount. The four small business CGT concessions are fully preserved. Investors in new residential builds can choose between the old and new arrangements, whichever produces the better outcome. Your family home remains entirely exempt. Understanding how the new framework applies to your specific assets is something we can work through together — get in touch so we can map out your position.

THE DETAIL THAT WASN'T IN THE BUDGET PAPERS

The Bill contains one provision that was not clearly flagged in the original Budget announcement, and it deserves your attention: the CGT reforms will apply to future gains on pre-CGT assets from 1 July 2027.

Pre-CGT assets are assets acquired before 20 September 1985 — the date Australia's capital gains tax regime began. Under current law, gains on these assets are entirely exempt from CGT. Under the Bill, any gain accruing on a pre-CGT asset from 1 July 2027 onwards will be brought into the CGT system and subject to the new indexation and 30% minimum tax rules. The portion of gain that accrued before 1 July 2027 remains exempt — but the asset loses its full CGT-free status going forward. If you hold pre-CGT assets, this is the provision you need to be aware of — please get in touch so we can assess what it means specifically for you.

For clients who hold long-standing family properties, farming land, or business assets acquired before 1985, this is a material change. A formal valuation of those assets as at 30 June 2027 may be essential to clearly establish the baseline for the future taxable portion. A valuation before 30 June 2027 could make a significant difference to your tax position — let's start that conversation now so we have plenty of time to prepare.

The Bill has not yet passed. It remains subject to Senate scrutiny and may yet be amended. But the introduction of legislation is a meaningful step — it signals the Government intends to legislate these changes in their current form, and that the 1 July 2027 transition date is real. Even though it hasn't passed yet, it's worth planning ahead — contact us to discuss your options before the end of 2026.

If you hold assets with significant unrealised gains, own pre-CGT assets, or operate through a trust or family company structure, please contact us to discuss your position before the end of 2026. The window before 1 July 2027 is the most important planning period many of our clients will face in decades.

Bitcoin: From All-Time High to Halfway Back — What's Happening in Crypto?

For anyone who has been watching the cryptocurrency market over the past twelve months, it has been quite a ride. Bitcoin surged to a new all-time high above AU$190,000 (around US$124,000) in October 2025 — a level that would have seemed extraordinary just two years earlier.

Today, it trades at approximately AU$90,000, having given back more than half of that peak value during the first half of 2026. As your accountants, it is important to note that we are not in a position to advise on whether you should buy, sell, or hold cryptocurrency — that falls outside our scope of advice. What we can help you with is the tax side: understanding your obligations, planning around taxable events, and making sure you are not caught off guard at tax time. If you hold crypto and haven't reviewed your tax position recently, now is a good time to have that conversation with us.

WHAT DROVE THE PEAK — AND THE PULLBACK

The surge through 2025 was driven by several structural factors coming together: the April 2024 halving (which cut the rate of new Bitcoin supply in half), the approval of spot Bitcoin ETFs in the United States bringing institutional money into the market at scale, and a broadly positive investment environment. Bitcoin crossing US$100,000 for the first time in December 2024 captured global headlines and drew in a fresh wave of retail investors. Understanding these market forces helps us plan your tax position around when you may be looking to buy, sell, or hold — so talk to us before making your next move.

The 2026 pullback has been driven by equally powerful forces. Three interest rate rises in Australia, a more cautious global investment climate, geopolitical uncertainty, and the simple reality that many who bought in the rally have been locking in profits. Grayscale, one of the world's largest crypto investment managers, noted that this cycle has been notably different from prior ones — steadier institutional buying replacing the explosive retail momentum that characterised 2017 and 2021. Whatever the market does from here, if you have had crypto activity this financial year, we can help you work through the tax implications.

WHERE THE EXPERTS THINK IT GOES FROM HERE

Forecasts for Bitcoin's trajectory remain strikingly wide. Bernstein maintains a US$150,000 target for 2026, underpinned by continued ETF inflows. J.P. Morgan has pointed to US$170,000 as a possibility. Citibank sits at US$143,000. At the other end, Morgan Stanley and Fidelity have both suggested the four-year bull cycle may have already peaked, with downside scenarios to US$60,000–65,000 if macro conditions tighten further. We share this context for information purposes only — as your accountants, we are not in a position to advise on whether to buy, sell, or hold cryptocurrency. What we can do is help you understand the tax consequences of whatever decisions you make, and make sure your position is reported correctly.

THE AUSTRALIAN TAX ANGLE

For Australian investors, cryptocurrency is treated as property — not currency — by the ATO. Every time you sell, swap, or spend cryptocurrency, it is a taxable event. Investors who have held Bitcoin for more than twelve months can currently access the 50% CGT discount on any gain, though this discount is proposed to be replaced by cost base indexation from 1 July 2027 under legislation now before Parliament. The ATO runs an active data-matching program with Australian crypto exchanges — so if you have unreported gains, it is almost certainly already aware. If your crypto portfolio has moved significantly in either direction over the past year, contact us before 30 June so we can review your obligations together.

Cryptocurrency is a legitimate part of many clients' portfolios, but the tax treatment is often misunderstood. If you hold crypto and are unsure of your obligations, please contact us before lodging your return.

The Australian Economic Outlook: Navigating a Bumpy Road to Recovery

The Australian economy enters the second half of 2026 in a state of managed tension. Growth is holding up, but the momentum is fragile. Inflation has proved more stubborn than forecast a year ago — forcing the RBA to raise rates three times this year — and geopolitical pressures from the Middle East conflict have added a supply-side shock that few had anticipated. The broad consensus is that Australia will avoid recession, but the path to a genuine soft landing is narrower than it looked at the start of the year. In uncertain times like these, having a clear financial plan is more important than ever — reach out if you'd like to review yours.

GROWTH: SOLID BUT SOFTENING

After stronger-than-expected GDP growth through 2025, the consensus is that the economy is now past its near-term peak. Deloitte Access Economics forecasts growth of around 1.9% in 2026–27, down from an estimated 2.4% in 2025–26. Vanguard has trimmed its 2026 forecast to 1.8%, citing tighter financial conditions and Australia's exposure to higher energy costs. The OECD is slightly more optimistic at 2.3%, but even that depends on geopolitical tensions easing and fuel prices pulling back. KPMG's Q1 assessment described momentum as "fragile and heavily reliant on public demand, with weak private activity, subdued productivity and soft household consumption." If slower growth is affecting your business or investment plans, let's talk through how to position yourself for the road ahead.

INFLATION: THE PERSISTENT PROBLEM

The RBA's May Statement on Monetary Policy acknowledged that headline inflation is expected to peak at 4.8% in the June quarter of 2026 before gradually easing. Trimmed mean inflation — the RBA's preferred measure of underlying price pressure — is not expected to return to the midpoint of the 2–3% target band until mid-2028. That timeline is materially longer than what was forecast twelve months ago, and it is the key reason rate cuts remain a 2027 story at the earliest. With rates unlikely to fall before 2027, now is a good time to review your cash flow and loan structures with us.

THE OUTLOOK FOR HOUSEHOLDS

Real wages — wages growth after inflation — are not expected to improve meaningfully until 2027. As Deloitte noted, "for many households, non-essential spending will be cut." The unemployment rate, currently around 4.2%, is expected to edge higher to around 4.6–4.9% by mid-2027 as slowing growth reduces labour demand. ANZ Research sees consumer spending holding at around 2.7% growth into 2026 and 2027, but flags downside risk from recent rate increases flowing through mortgage repayments. If you're feeling the pressure of rising costs and flat wages, we can help you look at strategies to protect your financial position — please reach out.

The broad picture is one of resilience without momentum — an economy that is managing, but not thriving. For business owners and investors, it reinforces the importance of planning conservatively, maintaining liquidity, and ensuring your structures are positioned for the environment that is coming rather than the one that has just passed. If you'd like to talk through what this economic environment means for your business or investments, we're here to help you think it through.

If the economic outlook is prompting questions about your business strategy, cash flow planning, or investment positioning, we are here to help you think it through — contact us to arrange a time.

Where Are Interest Rates Headed? What the Experts Are Saying

After a brief period of relief, Australian borrowers have found themselves back in a rising rate environment. The Reserve Bank of Australia raised the cash rate three times in the first half of 2026 — in February, March, and May — taking it to 4.35%.

The driver has been persistent inflation, compounded by rising fuel and commodity prices linked to geopolitical tensions in the Middle East. The RBA itself acknowledged after its May meeting that the conflict "has resulted in sharply higher fuel and related commodity prices, which are already adding to inflation." If the rate rises have affected your cash flow or loan repayments, it's a good time to review your position with us.

IS THE RBA DONE — OR JUST PAUSING?

The question now dividing economists is simple: is the RBA finished raising rates for 2026, or is there more to come? Regardless of what the RBA does next, we can help you plan for different scenarios — contact us to talk through your options.

Commonwealth Bank and NAB are both calling a hold from here, arguing that three consecutive increases have done enough to bring inflation back toward target over time. NAB economists noted that the lagged effect of rate rises already delivered has not yet fully flowed through to household budgets and business conditions. Even if rates hold from here, those lagged effects are still working their way through — which is why it's worth reviewing your exposure now.

Westpac is the most hawkish of the major banks, warning that inflation risks have not been sufficiently contained and that the RBA may need to move again. ANZ sits between the two camps — expecting a pause but remaining open to further tightening if the Q2 inflation data surprises to the upside. If there's any chance of further rate rises hitting your business or personal finances, let's plan for that possibility together before it happens.

WHEN DO RATE CUTS COME?

There is broad agreement across the major banks that rate cuts are unlikely before 2027. The debate is about when in 2027 — and how many. CBA sees cuts potentially beginning once inflation is sustainably returning to the mid-point of the 2–3% target band. Others are more cautious, pointing to global uncertainty and sticky services inflation as reasons the RBA will move slowly even once it begins to ease. Don't bank on rate cuts arriving on any particular schedule — talk to us about structuring your finances to handle current rates comfortably regardless of when relief arrives.

For borrowers, the practical message is clear: plan for rates to remain at or near current levels for the next twelve months at least, with modest relief potentially emerging in the back half of 2027. Anyone with significant variable rate debt should be stress-testing their position at current rates — not banking on cuts arriving on any particular schedule. If you're carrying significant variable rate debt, reach out now so we can stress-test your position together.

If rising rates are affecting your business cash flow, your investment strategy, or your capacity to service debt, it is worth talking through your position with us now.

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