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TAX MATTERS

TAX STRATEGIES FOR YOU AND YOUR BUSINESS

BUDGET EDITION 2026

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AV CHARTERED ACCOUNTANTS

2026-27 Federal Budget - A Night of Significant Change

The 2026-27 Federal Budget, delivered by Treasurer Jim Chalmers on the evening of 12 May 2026, is one of the most significant overhauls of the Australian tax system in nearly three decades.

In a single budget, the Government has made changes to capital gains tax, negative gearing, trust distributions, superannuation, electric vehicles, research and development, and a range of cost-of-living measures. Almost every one of you will be affected in some way.

The centrepiece of the Budget is the replacement of the 50% capital gains tax (CGT) discount with cost base indexation for gains arising from 1 July 2027, combined with a new 30% minimum tax on net capital gains. The indexation rule is effectively a return to the approach that applied in Australia from 1985 to 1999. But the 30% minimum tax on net capital gains is new. The change has wide-reaching consequences for property investors, business owners, and anyone who holds assets that have grown in value.

What makes this Budget particularly complex is that many of these changes interact with each other. The impact of the CGT changes, for example, is magnified when combined with the negative gearing changes and the new trust distribution rules. For many clients, the combined effect is considerably larger than any single measure considered on its own.

This newsletter sets out the key measures and what they mean for you. We have focused on the practical implications rather than the fine technical detail. It is important to note that many of these changes are still subject to draft legislation, and a number of details are not yet fully confirmed. We have tried to reflect that honestly where it is relevant.

What is clear is that these changes are significant, they are broad, and for many clients they will require a review of existing arrangements. We encourage you to read through the articles that follow and to contact us to discuss anything that may be relevant to your situation.

FROM YOUR ACCOUNTANT

These changes will affect most of our clients in some way. We are already working through the implications and will be reaching out to those we believe are most directly affected.

Please do not wait to hear from us if you have questions - get in touch and we can talk through what matters most for your situation.

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The $1,000 Instant Tax Deduction

From 1 July 2026, eligible taxpayers will be able to claim a flat $1,000 deduction for work-related expenses without needing to keep receipts or itemise individual costs. This is a choice, not an automatic change - you will still need to decide whether the flat deduction or your actual expenses gives you the better result.

Who Is Eligible

Australian tax residents who earn income from work are eligible. If your income comes only from investments or rental properties, this does not apply to you - though you can continue claiming deductions under the existing rules.

Will It Actually Save You Money?

The deduction reduces your taxable income by $1,000. The actual tax saving depends on your tax rate:

18% At a combined rate of 18% (16% plus the 2% Medicare Levy), the saving is $180.

32% At 32% (30% plus Medicare Levy), the saving is $320.

47% At 47% (45% plus Medicare Levy), the saving is $470.

If you currently claim more than $1,000 in legitimate work-related expenses, this option does nothing for you - claiming your actual expenses remains the better approach. If you typically claim less than $1,000, this could give you a modest boost by topping up your deduction at no administrative cost.

A FEW IMPORTANT POINTS

Charitable donations, union and professional association fees, and other non-work deductions can still be claimed on top of the $1,000 flat deduction. And if you have genuine work-related expenses above $1,000, you can continue claiming your actual costs in the usual way.

As a one-size-fits-all measure, it will not suit everyone equally well. We will review your specific situation when preparing your return and work out which approach puts you in the best position.

FROM YOUR ACCOUNTANT

When we prepare your return, we will compare both options and make sure you claim in the way that gives you the best result.

If you have questions about your work-related expenses in the meantime, please give us a call.

$250 Working Australians Tax Offset

The 2026-27 Budget introduces a permanent Working Australians Tax Offset of up to $250 for Australians who earn income from work - including wages, salaries, and the business income of sole traders.

Who Is Eligible

The offset applies to individuals who earn income from work and have a tax liability against which it can be applied. If you pay little or no tax, you will receive a reduced benefit or none at all - the offset reduces tax owed rather than providing a direct payment. Unlike some previous offsets, it is not limited to employees. Sole traders whose income comes from their own labour are also eligible.

When Will You See the Benefit?

This offset does not apply until the 2027-28 financial year. That means most people will first see the benefit when their 2027-28 tax return is processed - generally between July and October 2028. There are no changes to how your employer withholds tax in the meantime.

This Is a Permanent Measure

Unlike some previous cost-of-living offsets, this one is permanent. From 2027-28 onwards it will be a standing feature of the tax system. The Government has also confirmed it will increase the effective tax-free threshold for work income by nearly $1,800, to approximately $19,985 - or up to $24,985 for those also eligible for the Low Income Tax Offset.

One Thing to Watch

If you have an outstanding tax debt or other liabilities, the benefit may be absorbed rather than showing up as a visible refund. It is worth reviewing your overall position before you lodge your 2027-28 return. Note that the offset reduces income tax only - it does not reduce the 2% Medicare Levy.

FROM YOUR ACCOUNTANT

If you have an outstanding tax debt or other liabilities, this offset may be used to reduce what you owe rather than appear as a refund.

Please reach out to us ahead of your 2027-28 return so we can review your full position and make sure you receive the maximum benefit available.

Changes to the Fringe Benefits Tax Exemption for Electric Vehicles

Since 2022, battery electric vehicles (BEVs) provided through novated lease or salary packaging arrangements have been fully exempt from Fringe Benefits Tax (FBT), making them significantly more cost-effective than equivalent petrol or diesel vehicles. The 2026-27 Budget now announces a phased wind-back of that exemption.

What Is Changing and When

The full FBT exemption will remain in place until 31 March 2027, so arrangements entered into now will continue to attract the full benefit for the immediate term. From 1 April 2027, the full exemption will only apply to EVs priced at $75,000 or less. EVs above $75,000 but below the Luxury Car Tax threshold will attract a reduced 25% FBT discount only. From 1 April 2029, the 25% discount applies to all EVs below the Luxury Car Tax threshold regardless of price.

What Existing Arrangements Mean in Practice

The Budget states that all 'eligible' electric cars will retain the FBT discount rate that was in place when the arrangement began. However, the word 'eligible' is critical and should not be read as covering all existing arrangements.

Reading the Budget papers as a whole, it appears that 'eligible' refers to eligibility under the new rules. That means only EVs priced at $75,000 or less retain the full 100% exemption beyond 1 April 2027. If your current EV is priced above $75,000, it appears you will lose the full exemption at 1 April 2027 and will only attract the 25% discount from that point - regardless of when you entered the arrangement. This is a materially different outcome from what many people with higher-priced EVs under existing salary packaging arrangements may be expecting.

A Further Complication

The Budget papers do not define what 'commenced' means for grandfathering purposes. When plug-in hybrid vehicles were removed from the exemption, grandfathering required not just that a lease existed, but that there was a financially binding ongoing commitment - a demanding legal threshold. Optional lease extensions did not qualify. It is possible a similar test will apply here. No assumption should be made that an existing arrangement is automatically protected until the legislation is released.

FROM YOUR ACCOUNTANT

If you currently have an EV under a novated lease or are thinking about entering one, the rules are changing in ways that could significantly affect your after-tax cost.

Please contact us before making any changes to your arrangement, or before committing to a new lease, so we can walk through the numbers with you.

Changes to the Capital Gains Tax Discount - What It Means

One of the most significant measures in this Budget is the replacement of the 50% CGT discount with cost base indexation for capital gains arising on or after 1 July 2027, combined with a new 30% minimum tax on net capital gains. This applies to all CGT assets - including shares, investment properties, and business assets - held by individuals, trusts, and partnerships.

It is worth noting that this is not an entirely new concept. Indexation was the method used for CGT in Australia from 1985 through to 1999, when the Howard Government replaced it with the 50% discount. In effect, we are returning to the pre-1999 approach.

The Good News: There are Transitional Rules

The 50% CGT discount will continue to apply to all gains arising before 1 July 2027. If you sell an asset before that date, the existing rules apply in full. Assets acquired before September 1985 are still exempt from capital gain tax (unless there was an intention to buy it and sell it for a profit). Assets acquired after September 1985 will get the 50% CGT discount if the asset was held for more than one year and there was no intention to buy it and sell it for a profit. That last part is always important because if it can be proven that you bought an asset with an intention to sell it for a profit, then the sale is on revenue account, not as a capital gain.

For assets held beyond 1 July 2027, it gets interesting. The indexation method will apply to gains arising from that date. The post-1 July 2027 portion of the gain is reduced by indexing the market value of the asset as that date base for CPI. An extract from the Budget papers:

Michael owns an investment property purchased before 12 May 2026. He sells the property two years after the policy commences for $560,000. Michael still receives the 50% CGT discount for the capital gain he makes on the property between the purchase date and 1 July 2027. He uses ATO tools to determine its value on that date was $500,000.

After adjusting for two years of inflation of 2.5%, his taxable capital gain for the period after 1 July 2027 is $34,688, slightly more than if he had applied a 50% discount (which would have resulted in a taxable capital gain of $30,000). Assuming a 47% tax rate, the tax on his gain since 1 July 2027 is $16,303 (instead of $14,100 with a 50% discount). Michael does not pay any tax on the capital gain until he sells his property.

Source: Budget 2026–27 Fact Sheet: Negative Gearing and Capital Gains Tax Reform'

You can see from the above example that valuers are going to be VERY busy after 01 July 2027.

There is also a specific concession for new residential properties. Investors in new builds can choose between the 50% CGT discount or cost base indexation with the minimum tax, whichever produces the better outcome. Recipients of means-tested income support payments, such as the Age Pension or Jobseeker, will be exempted from the minimum tax if they receive any payment in the financial year in which they realise the capital gain.

The Bad News: What about my pre September 1985 asset?

For years tax advisers have said any asset acquired before September 1985 was always tax free when sold (as long as it was on capital account). That now changes under the new rules where the market value of those assets need to be obtained as at 01 July 2027, and it will be subject to CGT under the indexation method if or when sold after that date.

What the CGT Changes Mean for Business Owners

The shift to indexation for capital gains arising from 1 July 2027 has significant implications for business owners, particularly those operating as sole traders or through discretionary trusts. For these businesses, it is not simply a matter of recalculating the tax on a future sale - in many cases it will fundamentally change the economics of selling, and raises urgent questions about whether the current business structure is still the right one.

The Problem with a Zero Cost Base

The most significant issue for many business owners is goodwill. When a business is built from scratch - as most are - the goodwill that develops over time has a cost base of zero. There was no purchase price paid for it; it was created through years of effort, reputation, and client relationships. Under the current rules, the goodwill gain qualifies for the 50% CGT discount when the business is sold.

Under the new rules, any new business set up from 1 July 2027 onwards with a cost base on zero will have nothing to index. For existing businesses, we await the legislation, but we think at this stage that the same market value rules outlined on the previous page will apply where we will need to obtain a value as at 01 July 2027.

Small Business CGT Concessions Still Apply - But Are Worth Less

The Small Business CGT Concessions - including the 50% active asset reduction, the retirement exemption of up to $500,000 (lifetime), and the 15-year exemption - remain available. However, where indexation produces no reduction on a zero cost base, the starting gain is larger, and the concessions are applied to a higher taxable amount. The value of those concessions is eroded.

Is Your Business Structure Still Right?

This makes it more important than ever to consider what your business is currently worth, how much it is likely to grow, and whether the structure through which you operate it remains appropriate. The Budget confirms expanded rollover relief for three years from 1 July 2027, specifically to support businesses wishing to restructure out of discretionary trusts into a company or fixed trust - without triggering a capital gains tax liability at the time of transfer. This is a genuine and time-limited opportunity.

One important caveat: while rollover relief removes the immediate tax consequences of restructuring, it does not eliminate stamp duty. Stamp duty on the transfer of business assets is a state-based tax and varies depending on where your business operates. In some cases this cost may be meaningful. However, given the potential long-term tax saving from being in the right structure, this is often a necessary upfront cost to get things right - rather than paying a far greater price at the point of sale.

FROM YOUR ACCOUNTANT

If you operate a business through a trust or as a sole trader, the question of whether your current structure still makes sense is now more pressing than it has been in 25 years.

Please contact us to arrange a review - we can assess what your business is worth today, model the tax outcomes under different structures, and help you understand whether the rollover window from 1 July 2027 is an opportunity worth taking.

Changes to the Taxation of Trust Distributions

The 2026-27 Budget announces the introduction of a 30% minimum tax on discretionary trusts from 1 July 2028. While the headline is straightforward, the detail behind this announcement is complex - and we want to be direct with you about what is known, what is not known, and why the gap between the two matters for anyone who operates through or benefits from a discretionary trust.

What Has Been Announced

From 1 July 2028, trustees of discretionary trusts will be required to pay a minimum tax of 30% on the taxable income of the trust. Beneficiaries - other than corporate beneficiaries - will receive non-refundable credits for the tax paid by the trustee. If the credit exceeds a beneficiary's actual tax liability, the excess is permanently lost - it cannot be refunded. The practical effect is a significant increase in the tax cost of distributing trust income to beneficiaries who pay tax at a rate below 30%.

What We Do Not Yet Know

The Budget announcement raises far more questions than it answers. We are not sure if franking credits that flow through a family trust retain their character as a franking credit or it they “morph” into being a non-refundable credit similar to the tax the trustee pays as outlined above.

The announcement lists a number of exclusions - including primary production income, income relating to vulnerable minors, amounts subject to non-resident withholding tax, and income from assets of discretionary testamentary trusts existing at the time of announcement. Each of these exclusions will require precise legislative definition. Fixed trusts, widely held trusts, complying superannuation funds, special disability trusts, deceased estates, and charitable trusts are not subject to the measure.

The Rollover Relief Window

The Budget confirms expanded rollover relief for three years from 1 July 2027, to support businesses and others wishing to restructure out of discretionary trusts into another entity type. This provides a meaningful window to act before the minimum tax takes effect. However, even the restructure decision cannot be made sensibly until the legislation clarifies the full scope of the measure. We expect draft legislation during the second half of 2026 and will update you as the position becomes clearer.

Note: This article is based solely on the Budget announcement of 12 May 2026. No legislation has been released. All details are subject to change and no planning decisions should be made on the basis of this announcement alone.

FROM YOUR ACCOUNTANT

We cannot provide definitive advice on this measure yet - the legislation does not exist - but early engagement will maximise your options when it does.

Please contact us so we can begin reviewing your trust arrangements now and be ready to act quickly once the detail is confirmed.

Changes to Negative Gearing - What Property Investors Need to Know

Negative gearing has been a cornerstone of Australian property investment strategy for decades. The 2026-27 Budget confirms changes that will affect investors who own or are planning to acquire investment properties - though the impact will vary significantly depending on your current position.

What Is Negative Gearing?

Negative gearing occurs when the costs of owning an investment property - including loan interest, property management fees, maintenance, council rates, and depreciation - exceed the rental income it generates. Under the current rules, that net loss can be deducted against your other income, including salary or wages, reducing your overall tax bill.

What Has Changed

Existing investment properties are fully protected. If you already own a negatively geared investment property, your ability to offset those losses against your other income will continue unchanged for as long as you hold that property.

However, for established residential properties acquired after 7:30pm AEST on 12 May 2026, the rules change from 1 July 2027. Losses from established residential properties purchased after that point will only be deductible against rental income or capital gains from residential properties. Excess losses will be carried forward and offset against residential property income in future years - they cannot be used to reduce your salary or wage income.

An exception applies for newly constructed properties. Where you purchase a new build - one that adds to Australia's housing supply rather than simply changing ownership of existing stock - negative gearing deductions remain fully available. Properties in widely held trusts, superannuation funds, build-to-rent developments, and investors supporting government housing programs are also exempt.

Who Is Affected

If you own existing investment properties and have no plans to acquire more, the practical impact is limited. Your current arrangements are fully protected. The change becomes relevant when you consider your next acquisition. Any established residential property purchased after 7:30pm on 12 May 2026 will be subject to the new quarantining rules from 1 July 2027. Contracts entered into before that time - including those not yet settled - are covered by the grandfathering provisions.

The Combined Effect

For a high-income investor who has been using rental losses to reduce their taxable income, the loss of that deduction against salary income represents a real increase in annual after-tax cost. It is also important to note that the negative gearing changes interact directly with the CGT changes confirmed in the same Budget. The combined effect of both changes means the overall economics of acquiring a new established investment property have shifted materially.

FROM YOUR ACCOUNTANT

If you are considering purchasing another investment property, the rules have changed in ways that affect both your ongoing cash flow and your future capital gains position.

Please contact us before you proceed - we can model the after-tax return under the new rules and help you decide whether a new build or established property better suits your circumstances.

Superannuation - Key Changes From 1 July 2026

While much of the attention on Budget night focused on capital gains tax, negative gearing, and trust distributions, there are several significant superannuation changes taking effect from 1 July 2026. These were largely legislated prior to the Budget and were not altered on Budget night, but they are significant enough to warrant a timely reminder.

Higher Tax on Large Superannuation Balances

From 1 July 2026, if your total superannuation balance across all funds exceeds $3 million, the earnings attributable to the portion above that threshold will be subject to an additional 15% tax - effectively doubling the tax rate on those earnings from 15% to 30%. Note that the Medicare Levy does not apply to superannuation earnings, so the combined rate is 30%, not 32%.

This legislation received Royal Assent on 13 March 2026 and is now law. Importantly, the tax applies to unrealised gains as well as realised ones - meaning you do not need to have sold an asset within your fund to trigger the liability. The ATO will issue an assessment and you have 84 days to pay, with the option to release funds from your superannuation account to meet the liability.

Transfer Balance Cap Increase

The transfer balance cap - the maximum amount you can hold in a tax-free retirement phase pension - increases from $2.0 million to $2.1 million from 1 July 2026. If you have previously been unable to move your full intended balance into retirement phase because of the cap, or if you are planning to commence a retirement phase pension in the near future, this increase may present a planning opportunity.

Payday Super

From 1 July 2026, employers are required to pay superannuation contributions at the same time as wages, rather than quarterly. This is a significant change for small and medium businesses that have managed cash flow by paying super quarterly. Payroll systems will need to be updated before the changeover date, and contributions must reach the employee's fund within seven business days of each pay date.

FROM YOUR ACCOUNTANT

Whether your superannuation balance is approaching $3 million, you are planning to commence a retirement pension, or you are a small business employer preparing for payday super - these changes need attention before 1 July 2026.

Please contact us to discuss your situation so we can help you prepare in time.

Research and Development Tax Incentive - Significant Changes From 2028

Businesses that claim the Research and Development (R&D) Tax Incentive will need to be aware of significant changes taking effect from 1 July 2028. The reforms are broadly positive for businesses engaged in genuine core R&D activity, though some aspects tighten the scope of what is eligible.

The Key Changes

The offset rates for core R&D expenditure will increase by 4.5 percentage points - representing an increase of around 25 to 50 per cent depending on your current rate. The intensity threshold - the proportion of R&D expenditure required to qualify for the higher rates - will be reduced from 2% to 1.5%, meaning more businesses will qualify.

The turnover threshold for accessing the refundable tax offset increases from $20 million to $50 million, allowing a greater number of growing businesses to access cash refunds rather than simply accumulating offsets. The maximum R&D expenditure threshold also increases from $150 million to $200 million.

What Is Tightening

Supporting R&D expenditure - which has historically allowed businesses to claim a broader range of costs associated with their R&D activities - will no longer be eligible from 2028. Only core R&D expenditure will qualify. The minimum expenditure threshold also increases from $20,000 to $50,000. Research activities below this amount will only be eligible if undertaken with a registered Research Service Provider or Cooperative Research Centre.

FROM YOUR ACCOUNTANT

If your business currently claims the R&D Tax Incentive, the removal of supporting R&D expenditure from 2028 could significantly affect your eligible expenditure base.

We recommend reviewing your claim structure well ahead of that date - please get in touch so we can assess the impact and help you plan accordingly.

Good News for Companies - Loss Carry-Back and Start-Up Incentives

The Budget contains two welcome measures for company clients: one taking effect immediately, and one from 2028.

Loss Carry-Back for Companies - From 1 July 2026

Companies with aggregated annual global turnover of less than $1 billion will be able to carry back a tax loss and offset it against tax paid in either of the two previous financial years. In practical terms, if your company paid tax in 2024-25 or 2025-26 and subsequently incurs a loss in 2026-27 or later, you can apply that loss against the earlier tax paid and receive a cash refund.

The carry-back applies to revenue losses only - not capital losses. It is also limited by your company's franking account balance, meaning the refund cannot exceed the amount of tax reflected in that account. This measure is particularly valuable for companies that were profitable in recent years but are now experiencing a downturn. Rather than carrying a loss forward and waiting years for it to generate a tax benefit, the company can access a cash refund now.

Loss Refundability for Start-Up Companies - From 1 July 2028

From 1 July 2028, small start-up companies with annual turnover of less than $10 million that generate a tax loss in their first two years of operation will be able to convert that loss into a refundable tax offset - meaning the ATO will pay out the offset as a cash refund even where no tax has previously been paid. The offset is capped at the value of fringe benefits tax and withholding tax on wages paid to Australian employees in the loss year, tying the benefit to companies that are genuinely employing people and building a business.

Expanded Venture Capital Incentives - From 1 July 2027

From 1 July 2027, the venture capital tax incentive programs will be expanded to facilitate greater investment into Australian start-up and growth businesses. The cap for standard venture capital limited partnerships increases from $250 million to $480 million. For early stage venture capital limited partnerships, the investment cap increases from $50 million to $80 million, and the cap at which investment returns can be fully tax exempt increases from $250 million to $420 million. These changes apply to both new and existing funds.

Please note: the separate Eligible Venture Capital Investor program has been closed to new applications from Budget night, 12 May 2026. If you were considering applying to that program, that opportunity has now passed.

FROM YOUR ACCOUNTANT

If your company has paid tax in recent years and is now experiencing or expecting a loss, please contact us as a matter of priority - a cash refund may be available sooner than you think.

For those starting a new business, or with an interest in venture capital investment, please get in touch to discuss how these measures may apply to you.

Instant Asset Write-Off – Finally, it's now a Permanent Feature

The $20,000 instant asset write-off has been confirmed as a permanent feature of the tax system for small businesses with annual turnover of less than $10 million from 1 July 2026. This removes the uncertainty that has surrounded the concession for several years, with successive governments extending it on a year-by-year basis.

The write-off allows eligible small businesses to immediately deduct the full cost of any eligible asset costing less than $20,000 in the year it is first used or installed - rather than depreciating it over a number of years. The $20,000 limit applies on a per-asset basis, meaning multiple assets can be written off in the same year provided each individual asset is under the threshold.

If you have been holding off on equipment or other asset purchases pending clarity on whether this concession would continue, that uncertainty has now been resolved.

FROM YOUR ACCOUNTANT

If you are planning to purchase equipment or other business assets, the instant asset write-off is now permanent - but timing and eligibility still matter.

Please contact us before making any significant purchases so we can confirm the asset qualifies and consider the timing relative to your financial year end.

Fuel Excise and Other Budget Updates

Fuel Excise - Temporary Relief Ends on 30 June 2026

The 32 cent per litre cut to the fuel excise, introduced on 1 April 2026 as part of the Government's response to rising fuel costs, was a temporary three-month measure. It has not been extended in this Budget. The cut will expire on 30 June 2026 and the full excise rate returns from 1 July 2026.

Businesses that are heavy fuel users should factor the return of the full excise rate into their budgeting and cash flow planning. Businesses that use fuel in the course of their operations may also be eligible to claim fuel tax credits, which partially offset the cost of excise paid on fuel used for business purposes. If you are not already claiming fuel tax credits and believe you may be eligible, please contact us.

Foreign Purchases of Established Dwellings - Ban Extended

The temporary ban on foreign purchases of established residential dwellings, originally introduced for two years from 1 April 2025, has been extended by a further two years and three months to 30 June 2029. Foreign persons are generally prohibited from purchasing established residential properties in Australia during the ban. The existing exemptions - including for purchases that support housing supply, and for permanent residents and New Zealand citizens - continue to apply.

For the vast majority of our clients this measure will have no direct impact. However, if you have overseas connections or are involved in a property transaction with a foreign party, please seek advice before proceeding.

FROM YOUR ACCOUNTANT

If your business is a heavy fuel user, contact us to check whether you are eligible to claim fuel tax credits - they can meaningfully offset the cost of excise.

If you have any questions about the foreign property ban or are involved in a transaction that may be affected, please reach out before proceeding.

What Should You Do Now?

The measures announced in this Budget are far-reaching, and the right response will be different for every client. Some changes take effect immediately, some from 1 July 2026, some from 1 July 2027, and others from 1 July 2028. What is clear is that waiting is not a strategy - the sooner you understand how these changes affect your specific situation, the more options will be available.

As a starting point, consider the following questions:

•If you own investment properties - the changes to both negative gearing and the CGT rules mean your current and future investment strategy needs to be reviewed in light of the new landscape.

•If you own a business through a sole trader structure or a discretionary trust - particularly one that has grown significantly in value - the question of whether your current structure remains appropriate is now more pressing than it has been in 25 years. The expanded rollover relief window from 1 July 2027 provides a genuine but time-limited opportunity to act.

•If you are a beneficiary or trustee of a discretionary trust - the new 30% minimum tax applying from 1 July 2028 will affect the overall tax cost of distributions. Early engagement will maximise your planning options once the legislation is released.

•If your superannuation balance is approaching or exceeds $3 million - the new earnings tax is now law and requires careful attention ahead of 1 July 2026.

•If you are a small business employer - the move to payday super from 1 July 2026 requires action on your payroll systems before that date.

•If your company has paid tax in recent years and is experiencing or anticipating a loss - the reintroduction of loss carry-back from 1 July 2026 may provide a valuable cash refund.

•If your business claims the R&D Tax Incentive - the changes from 1 July 2028 warrant a review of your claim structure now.

None of these issues need to be resolved overnight, but all of them benefit from early advice. We will be reaching out to clients we believe are most directly affected - but please do not wait to hear from us if you have concerns or questions.

FROM YOUR ACCOUNTANT

Please contact our office to arrange a time to discuss your circumstances.

We are available and ready to assist - the earlier we talk, the more options we have.

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