David Gill & Co
chartered accountant

Professional | Reliable | Personal

Address: 262 Beechworth Rd (cnr Wilson St), Wodonga, 3690
Phone: (02) 6056 6366
Email: office@davidgill.net.au
Website: www.davidgill.net.au

On The Money

June 2026

The information contained in the following articles is up-to-date and covers tax planning and topics that need to be considered in everyday life, or if you are running or starting a business. **The articles included below are**:

- 2026 Year-End Tax Planning Guide – Part 1
- 2026 Year-End Tax Planning Guide – Part 2
- Federal Budget implications for businesses – summary
- Payday Super: 6 Things Small Businesses Need to Know

2026 Year-End Tax Planning Guide – Part 1

As the end of the financial year approaches, now is the ideal time to review your tax position and consider strategies that may help minimise tax and improve cash flow.

We recommend preparing an estimate of your taxable income for the year ending 30 June 2026. This can help identify any expected tax liabilities and highlight opportunities to legitimately

reduce or defer tax.

It's also worth reviewing your current income and deductible expenses to determine whether it may be beneficial to:

- bring forward deductible expenses before 30 June; or
- defer income until after 1 July 2026 where practical.

The strategies below are general in nature and may not suit every taxpayer. Their effectiveness will depend on your personal circumstances, business structure, turnover, and accounting method (cash or accruals). Importantly, some strategies require time to implement, so early planning is essential.

Tax Planning Opportunities to Consider

1. Deferring Assessable Income

In some situations, delaying income recognition until after 30 June 2026 may reduce your current year tax liability.

Possible strategies include:

- Delaying invoicing for incomplete work until after 1 July
- Deferring receipt of income where operating on a cash basis
- Postponing receipt of lump sum payments where possible
- Reviewing whether certain passive income streams (such as rent or interest) can be delayed

Where cash flow permits, this approach may help move taxable income into the next financial year.

2. Bringing Forward Deductible Expenses

Depending on your circumstances, it may be worthwhile prepaying certain expenses before 30 June 2026 to bring forward tax deductions into the current year.

Potential deductible prepayments include:

- Superannuation contributions
- Wages, bonuses, and contractor payments
- Rent and lease costs
- Insurance premiums
- Accounting fees
- Advertising and subscriptions
- Utilities and office expenses
- Motor vehicle costs
- Repairs and maintenance
- Self-education expenses
- Home office equipment
- Donations to deductible gift recipients

Superannuation Contributions

To claim a deduction for super contributions in the 2025/26 financial year, contributions must be received by the super fund before 30 June 2026.

Some low and middle-income earners

may also qualify for a government super co-contribution when making personal after-tax contributions.

Prepaying deductible investment loan interest may also be worth considering

in some circumstances.

As always, tax planning should align with genuine business or investment.

3. Capital Gains Tax Planning

When selling assets, remember that the contract date — not settlement date — generally determines when a capital gain or loss arises for tax purposes.

Key CGT Considerations

- Assets held for more than 12 months may qualify for the 50% CGT discount for individuals.
- Deferring the sale of an asset with an expected gain until a later financial year may reduce current year tax.
- Capital losses can be used to offset capital gains and reduce tax payable.
- Bringing forward the sale of loss-making assets may assist where gains have already been realised.

CGT Discount Rules for Individuals

For assets acquired after 21 September 1999:

- Held less than 12 months → tax applies to 100% of the gain
- Held 12 months or more → generally only 50% of the gain is taxable

Any capital gain is assessable in the financial year the CGT event occurs. Remember also that the 2026-27 Federal Budget outlined how the Federal Government is looking to change the way CGT is assessed in future years. Make sure you are aware of these changes.

4. Accounts Payable and Accrued Expenses

Businesses operating on an accruals basis should ensure all deductible expenses incurred before 30 June 2026 are properly recorded.
This may include ensuring supplier invoices are dated on or before 30 June so the deduction can be claimed in the current financial year.

Final Reminder

Effective tax planning takes time and should be tailored to your individual circumstances. Acting early provides greater flexibility and helps avoid rushed decisions at year-end.

If you are unsure which strategies may apply to you or your business, seeking professional advice before 30 June is strongly recommended.

Instant Asset Write-Off & Temporary Full Expensing

The instant asset write-off threshold for eligible small businesses remains at **$20,000** for the 2026 financial year.

To qualify for the write-off, the following conditions generally apply:

- The deduction applies to eligible **plant, equipment, and motor vehicles** only — it does not extend to capital improvements on buildings.
- Both **new and second-hand assets** may qualify.
- Assets can be purchased outright or financed.
- The business must be actively operating during the 2026 financial year.
- Aggregated annual turnover must be **below $10 million**.
- The business must apply the **simplified depreciation rules**.
- Each individual asset must cost **less than $20,000**.
- The asset must be installed and ready for use between **1 July 2025 and 30 June 2026**.

Importantly, businesses that opt out of the simplified depreciation regime will not be eligible for the instant asset write-off, even if they meet the other requirements.

The $20,000 threshold applies on a **per asset basis**, meaning multiple eligible assets may be immediately deducted provided each one falls below the threshold.

Assets costing $20,000 or more can still be added to the small business depreciation pool and depreciated over time — generally at:

- 15% in the first year; and
- 30% in later years.

Additional Tax Planning Opportunities for Businesses

Stock Valuation

Before 30 June, businesses should review stock on hand and work in progress to ensure inventory is valued correctly.

Stock should generally be recorded at the lower of:

- cost; or
- net realisable value.

Where stock cannot realistically be sold for its recorded value, it may need to be written down.

Superannuation Contributions

To claim a tax deduction for super contributions in the 2025/26 year, the funds must reach the super fund before 30 June 2026.

Electronic transfers made on 30 June may not clear in time, so contributions should ideally be processed several days earlier to avoid missing the deduction.

Writing Off Bad Debts

Businesses using the accrual accounting method should review outstanding debtors before year-end.

Amounts considered genuinely unrecoverable should be formally written off in the accounting records before 30 June 2026 to claim a deduction in the current financial year.

Repairs and Maintenance

Where practical and cash flow permits, consider completing deductible repairs before year-end.

It is important to distinguish between:

- repairs and maintenance (generally immediately deductible); and
- capital improvements (typically claimed over time through depreciation).

Professional advice may be required where the distinction is unclear.

Obsolete Equipment

Old or unused plant and equipment should be scrapped, disposed of, or decommissioned before 30 June 2026 where appropriate.
This may allow the remaining book value to be claimed as a deduction.

Trust Distribution Strategies

Businesses operating through discretionary trusts may wish to consider the use of a “bucket company” to receive trust distributions as part of broader tax planning strategies.

Careful planning before year-end can create valuable tax opportunities while ensuring compliance obligations are met.

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Superannuation Tax Planning Opportunities

Superannuation remains one of the most tax-effective ways to build long-term wealth and reduce taxable income. As 30 June approaches, it's worth reviewing the strategies available to maximize your super benefits.

Concessional Contributions Cap – $30,000

For the 2025/26 financial year, the concessional (tax-deductible) contribution cap is $30,000 per person, regardless of age.

Concessional contributions include:

- Employer Super Guarantee contributions
- Salary sacrifice amounts
- Personal deductible super contributions

If you have not fully used your annual cap, you may wish to consider making additional deductible contributions before 30 June 2026, subject to eligibility.
One of the key benefits is the lower tax rate applying to super contributions — generally 15% (or up to 30% for high-income earners) compared with marginal personal tax rates that can exceed 45% plus Medicare levy.

This strategy is commonly used by:

- self-employed individuals;
- investors earning passive income; and
- employees looking to increase retirement savings tax-effectively.

Carry-Forward Concessional Contributions

If your total super balance was below $500,000 at 30 June 2025, you may be eligible to carry forward unused concessional contribution caps from the previous five financial years.

Unused cap amounts can accumulate for up to five years before expiring.

This strategy can be particularly useful for individuals with:

- fluctuating income;
- one-off capital gains; or
- higher-than-usual taxable income in a particular year.

Non-Concessional Contributions

Eligible individuals may also consider making non-concessional (after-tax) contributions.

Contribution limits for 2025/26 are:

- up to $120,000 annually; or
- up to $360,000 under the bring-forward rule over three years.

Eligibility rules apply, so professional advice is recommended before making large contributions.

Government Super Co-Contribution

Low and middle-income earners may qualify for a Government co-contribution when making personal after-tax super contributions.
For the 2025/26 financial year:

- maximum co-contribution available is $500;
- full entitlement generally applies where income is $44,500 or less; and
- partial entitlements may apply for incomes up to $60,400.

To receive the maximum benefit:

- at least $1,000 of non-concessional contributions must be made;
- at least 10% of income must come from employment or business activities; and
- total super balance must remain below the applicable threshold.

You must also be under age 71 at 30 June 2026.

Transition to Retirement (TTR) Strategies

If you have reached your preservation age but are not ready to fully retire, a Transition to Retirement (TTR) strategy may allow you to reduce working hours while supplementing your income from super.

Preservation Ages

Date of Birth	Preservation Age
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
From 1 July 1964	60

Under a TTR strategy:

- you can continue working;
- continue making concessional contributions; and
- draw an income stream from super.

Minimum pension withdrawals generally start at 4% of the account balance, with a maximum annual withdrawal limit of 10%.

Tax Treatment

- Under age 60: withdrawals are taxed at marginal rates, with a 15% tax offset generally available.
- Age 60 and over: pension withdrawals are generally tax-free.

TTR strategies are commonly used to:

- reduce working hours gradually; or
- salary sacrifice into super while maintaining cash flow.

Account-Based Pensions

Individuals aged:

- 60 or over and retired; or
- 65 and over (whether working or not),

may benefit from commencing an account-based pension.

Key advantages include:

- tax-free pension withdrawals; and
- tax-free investment earnings within the pension phase (subject to transfer balance cap limits currently around $1.9 million).

Minimum annual pension payments apply based on age:

Age	Minimum Withdrawal
Under 65	4%
65–74	5%
75–79	6%
80–84	7%

There is generally no maximum withdrawal limit for standard account-based pensions.

If you are considering starting a pension, contact your super fund or adviser for guidance.

Self-Managed Super Funds (SMSFs)

A Self-Managed Super Fund (SMSF) can offer greater control and flexibility over retirement savings and investment decisions, along with potential tax advantages.

However, SMSFs also involve:

- strict compliance obligations;
- ongoing administration responsibilities; and
- trustee duties under superannuation law.

An SMSF may suit individuals seeking greater investment control or more tailored retirement planning strategies, but they are not appropriate for everyone.

With year-end approaching, now is a good opportunity to review whether an SMSF could form part of your broader financial and tax planning strategy.

If you would like to explore SMSFs further, professional advice is strongly recommended.

Checklist: Other Year-End Tax Matters to Consider

Alongside tax planning opportunities, there are several important year-end obligations that should be reviewed before 30 June 2026.

Motor Vehicle Records

If you use a vehicle for work or business purposes, remember to:

- Record your odometer reading at 30 June 2026.
- Update or prepare a new logbook if your current one is more than five years old.

A valid logbook must cover a continuous 12-week period. If you begin keeping one before 30 June 2026, it can still be used to support your business-use percentage for the entire 2025/26 financial year.

Account-Based Pensions

If you are drawing an account-based pension, ensure the minimum annual pension payment has been withdrawn before 30 June 2026.

Current minimum withdrawal rates are:

- Under 65: 4%
- Age 65–74: 5%
- Age 75–79: 6%
- Age 80–84: 7%

Business Owners, Companies & Trusts

Superannuation Guarantee Contributions

Employer super contributions for the 2025/26 year are due by 28 July 2026. However, to claim a tax deduction in the 2025/26 financial year, contributions must be received by the super fund (or clearing house) by 30 June 2026.

Avoid leaving payments until the final days of June, as processing delays may impact your deduction.

Division 7A Loans

Business owners who have borrowed money from a private company should ensure minimum principal and interest repayments are made by 30 June 2026.

Loans made during the current year must either:

- be fully repaid; or
- be placed under a compliant loan agreement before the company tax return due date.

Failure to comply may result in the loan being treated as an unfranked dividend.

Trust Distribution Resolutions

Trustees of discretionary (family) trusts should ensure distribution resolutions are prepared and signed before 30 June 2026.

Without a valid resolution:

- default beneficiaries may become entitled to trust income; or
- undistributed income may be taxed at the highest marginal tax rate.

Stocktake Requirements

Businesses holding trading stock should prepare stocktake working papers as at 30 June 2026.

Payroll & STP Finalization

Review and reconcile payroll records for the year, including PAYG withholding obligations.

Employers using Single Touch Payroll (STP) are generally no longer required to issue annual payment summaries once payroll information has been finalised through STP.

Key Changes From 1 July 2025

Super Guarantee Increase

The compulsory Superannuation Guarantee rate increased from 11.5% to 12% from 1 July 2025. This rate remains the same, 12%, for 2026-27.

Small Business Company Tax Rate

Base rate entities with aggregated turnover below $50 million continue to qualify for the 25% company tax rate for the 2026 financial year, provided:

- aggregated turnover is below $50 million; and
- no more than 80% of assessable income is passive income.

Planning ahead before year-end can help avoid unnecessary tax issues and ensure you maximise available opportunities.

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Federal Budget implications for businesses - summary

As the dust settles from the 2026 Federal Budget announcements, the implications for businesses are becoming clear. Several changes could affect how you plan an exit, reward your team, use a trust structure or manage tax losses.

The good news: **most of these changes do not apply immediately**, but they may still shape business decisions you are making now.

We set out the key changes below and what you should be doing now.

Key changes

1. **CGT**: from 1 July 2027, the 50% discount will be replaced by cost base indexation for assets held longer than 12 months. A 30% minimum tax will apply to net capital gains, including pre-CGT assets. **What you need to do:** Review planned exits and restructures.
2. **ESOPs and startup incentives**: employee share schemes may become less attractive because of the CGT changes. Startups may benefit from expanded venture capital investment due to venture capital incentives being increased from 1 July 2027. **What you need to do**: Revisit option plans, founder equity and investor materials before your next grant or raise.

3. **Discretionary trusts**: from 1 July 2028, trustees will pay a 30% minimum tax on trust taxable income, even if the trustee distributes it to beneficiaries. Non-company beneficiaries may receive non-refundable offsets. Trading trusts will have a 3-year rollover window to restructure into a different structure (e.g. a company) from 1 July 2027. **What you need to do**: If you use a trading trust, review whether your structure still works and plan early for the 3-year rollover window from 1 July 2027.
4. **Tax losses**: companies may carry back losses against tax paid up to 2 years earlier. Small startups with turnover under $10

million may access a refundable loss offset linked to FBT and wage withholding paid to Australian employees. **What you need to do**: Check your loss position, payroll records and tax planning before year-end.

Other key changes

- Instant asset write-off should become permanent from 1 July 2026.
- The R&D tax incentive will change from 1 July 2028.
- EV FBT benefits will phase down from 1 April 2029.

Before the new start dates arrive, review any planned sales, restructures, property investments, asset purchases, R&D spending and employee equity grants, so you can adjust timing or structure while you still have options.

Guidance depending on your business

Existing businesses (with pre-CGT assets):

- **What you should do**: Identify pre-CGT assets and model the tax impact of any sale, restructure or succession plan before the new CGT rules apply.
- **When**: Before 1 July 2027

Existing businesses (without pre-CGT assets):

- **What you should do**: Review planned sales of non-CGT assets to see whether current CGT treatment or future

indexation gives a better outcome.

- **When**: Before 1 July 2027, or otherwise before major transactions

All businesses:

- **What you should do**: Review ESOP terms, business structures and potential restructuring options, funding plans and tax losses before issuing options, raising capital or changing ownership.
- **When**: Before grants or raises

New business:

- **What you should do**: Choose the right structure early, keep clear records to comply with all applicable tax obligations, and check which startup incentives may apply.
- **When**: At setup

Payday Super: 6 Things Small Businesses Need to Know

From **1 July 2026**, a major change is coming for employers: **Payday Super**.

Instead of paying super quarterly, you'll need to pay it **with each payroll**, and contributions have to reach employees' funds **within 7 business days**.

The amount doesn't change — but **timing, systems, and risk do**.

1. Cash Flow Will Tighten

Quarterly buffers disappear. Instead of holding super for months, you'll pay it every pay cycle. This could significantly reduce working capital, so determine the impact now.

2. Payroll Systems Must Be Ready

Moving from 4 to as many as 52 payments per year means automation is essential. Manual processes won't cope — check your system is compliant and test it early.

3. The ATO Clearing House Is Closing

The Small Business Super Clearing House ends **30 June 2026**. Businesses need a new solution that can handle frequent, real-time payments. Also, after 11:59 pm AEST on 30 June 2026, users of the ATO's Small Business Superannuation Clearing House (SBSCH) will no longer be able to log in, submit instructions or view any records. Businesses need to download their records now as they may need them in future to respond to audits or employee queries.

4. Penalties Increase

Late payments are assessed **per payday**, not quarterly. Even small delays (including bank processing times) can trigger penalties.

5. Super Calculation Is Changing

Super will be based on **qualifying earnings (QE)**, a broader measure than current rules. Some businesses may end up paying slightly more. For most employees on simple pay arrangements, there will be no difference. But if you have staff on salary sacrifice, variable pay, or earnings near the maximum contribution base, it's worth reviewing.

6. Directors Face Greater Risk

Missed payments can affect **Safe Harbour protection** and trigger faster ATO action, increasing personal risk for directors.

What to Do Now

Prepare early to avoid disruption:

- Model your cash flow under the new system
- Confirm your payroll software is ready
- If necessary, transition off the ATO clearing house
- Review employee pay structures

Businesses that act now will transition smoothly. Those that don't risk cash flow pressure, system issues, and penalties.

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Tax Time Checklists - 2026
Individuals; Company; Trust; Partnership; and Super Funds

These checklists will help us ensure you don't miss any deductions. Simply print, complete and return.

Please click on the following links to access the checklists most appropriate to your needs.

Individuals - 2026

Company Trust Partnership - 2026

Superannuation Fund - 2026

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