JUNE 2026 NEWSLETTER

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Payday Super – What does it mean for you?

From 1 July 2026 super must be paid with every pay cycle rather than as a quarterly task. All employers are required to pay superannuation contributions to employees' funds at the same time as they pay wages or salaries. Generally, contributions will need to reach the employee fund within 7 days of pay day. That means:

- If you pay weekly, super must be paid weekly.
- If you pay fortnightly, super must be paid fortnightly.
- If you pay monthly, super must be paid monthly.

There are extended timeframes when onboarding a new employee or when an employee chooses a new fund. However, it is an employer's responsibility to ensure payments are processed promptly and in line with ATO requirements. Further information can be found on the ATO website.

Late or missed payments will trigger penalties, including the Super Guarantee Charge (SGC), which adds interest and admin fees. This charge has increased and will increase further for repeat offenders.

Review your payroll setup and ensure super payments can be paid through your payroll software. If you haven't already, start paying super through your payroll software before 1 July to ensure you will be compliant and familiar with the process.

Super Guarantee Rates and Payments

The current rate for superannuation contributions required to be paid by employers under the Super Guarantee Charge is **12%. To count as a tax deduction in the 2025/26 year,** the super guarantee must have been paid on time and have been processed by the super fund **before** 30 June 2026.

Single Touch Payroll Finalisation Declaration

Your Single Touch Payroll (STP) Finalisation declaration needs to be completed and lodged by 14 July 2026.

Income tax rates for 2025/26 and 2026/27

Detailed below are the tax rates that apply to individuals who are Australian residents for tax purposes.

2025/26 Income Tax Rates

Taxable income	Marginal tax rate	Tax payable
0 – $18,200	0%	Nil
$18,201 – $45,000	16%	16c for each $1 over $18,200
$45,001 – $135,000	30%	$4,288 plus 30c for each $1 over $45,000
$135,001 – $190,000	37%	$31,288 plus 37c for each $1 over $135,000
$190,001 and over	45%	$51,638 plus 45c for each $1 over $190,000

The Medicare Levy of 2% is in addition to the above rates.

2026/27 Income Tax Rates

Taxable income	Marginal tax rate	Tax payable
0 – $18,200	0%	Nil
$18,201 – $45,000	15%	15c for each $1 over $18,200
$45,001 – $135,000	30%	$4,020 plus 30c for each $1 over $45,000
$135,001 – $190,000	37%	$31,020 plus 37c for each $1 over $135,000
$190,001 and over	45%	$51,370 plus 45c for each $1 over $190,000

The Medicare Levy of 2% is in addition to the above rates.

From 1 July 2027, the 15% rate will be reduced to 14%.

Super contribution caps for 2025/26 and 2026/27

Super contribution caps will increase for the 2026/27 financial year.

	2025/26	2026/27
Concessional (i.e. tax deductible) Members aged between 67 and 74 need to meet the work test. Generally members 75 and over are not able to make personal contributions. You may be eligible to carry forward unused concessional contributions.	$30,000	$32,500
Non-Concessional (i.e. not tax deductible) Subject to your total superannuation balance and age limits.	$120,000	$130,000

Company tax rates

The tax rate for Base Rate Entities (BREs) is set at 25%. BREs are companies that have an aggregated turnover of less than $50m and derive **80% or less** of their income from defined passive sources, such as rental income and interest. The tax rate for all other companies is 30%.

<$20,000 small business instant asset write-off

Eligible small businesses with an aggregated turnover of less than $10 million, can immediately claim a deduction for the full cost of eligible depreciating assets costing less than $20,000 that are acquired prior to 30 June 2026, i.e. the asset value needs to be $19,999.99 or less excluding GST. The instant asset write-off threshold of $20,000 will be permanently increased from 1 July 2026, subject to becoming law.

For our farmers


Have you purchased equipment or livestock on account or by finance this financial year? *Please let us know and send us your statements.* Purchases of livestock on account can be declared *in the quarter the purchase occurred*, not when payment is made. GST on purchases of equipment on finance can usually be claimed *in the quarter the purchase / finance was signed,* not when making the first repayment.

Get a jump on the end of year and send us your livestock numbers as at 30 June 2026, Farm Management Deposit (FMD), loan statements and invoices for P&E purchases.

Proposed changes from the Federal Budget

The Federal Budget released in May 2026 has some key elements that could potentially impact your tax planning. The items below give an outline of the proposed changes but it is important to remember that these changes are not yet law and could possibly change.

Negative Gearing

*Proposed changes to apply from **1 July 2027***

The Government is planning to tighten up negative gearing on established residential properties. For properties purchased after 7:30pm AEST on 12 May 2026:

- Rental losses can only be offset against rental income or capital gains from other residential properties.
- Any remaining losses must be carried forward and applied only against future residential rental income or residential property capital gains.

Grandfathering applies. If you already owned an established property, or had exchanged contracts before Budget night, nothing changes in terms of negative gearing. You can continue to deduct losses against salary, business profits and other income sources until you sell the property.

The explanatory memorandum released with the legislation indicates that existing negative gearing rules will apply to properties that were acquired before Budget night, even if they weren't used as rental properties at that time.

For example, if you own a property that is currently used as your private residence but you later move out and start using it to generate rental income then the Government is currently indicating that existing negative gearing rules can still be available. However, the position is more complex than this and there is a technical issue that could potentially change this outcome. As a result, please contact us to discuss this further if you are thinking about converting your private home into a rental property. Until the legislation is passed in Parliament the final details are unknown.

The new restrictions only apply to residential property, so losses relating to commercial property, shares and other asset classes should not be impacted. There are also carve-outs for commercial residential properties such as hotels, motels and boarding houses.

'New builds' remain fully eligible for current negative-gearing rules both before and after 1 July 2027, but final details of what will qualify as a 'new build' haven't been released yet. Additional carve-outs apply to build-to-rent projects and certain government-supported housing.

CGT Discount

*Proposed changes to apply from **1 July 2027***

Individuals who hold an asset for more than 12 months often qualify for a 50% discount to reduce the taxable gain made on sale of the asset. A similar outcome can arise when a trust makes a capital gain and this is distributed to an individual beneficiary. However, from 1 July 2027 the CGT discount will be replaced for individuals and trusts with (pending legislation):

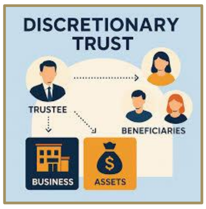
- Cost base indexation (inflation adjustment), and
- A 30% minimum tax on capital gains.

At this stage, we understand this change will apply across all CGT asset categories, including residential and commercial property, shares, business assets and even pre-CGT assets. Importantly, gains that accrue up to 1 July 2027 will still receive the existing CGT discount or benefit from the existing exemption for pre-CGT assets. It will be necessary to determine the market value of the assets at that date so that CGT calculations can be performed. For new residential properties, investors can choose either the existing CGT discount or the new indexation / minimum tax method.

Companies won't have access to indexation and complying super funds will continue to receive the benefit of the existing 1/3 CGT discount. Indexation won't be available to individuals who have been classified as a foreign resident or temporary resident for tax purposes during the ownership period of the asset.

While it isn't time to panic, a review of your investment portfolio would be prudent. Existing assets bought before Budget night will typically receive more favourable tax treatment compared with newer assets, but the overall impact of the proposed changes will vary depending on your situation.

Discretionary Trusts



*Proposed changes to apply from **1 July 2028***

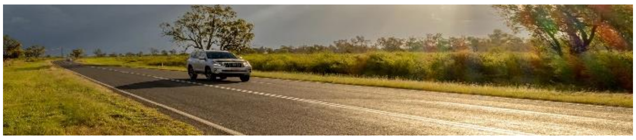
The introduction of a 30% minimum tax rate on the taxable income of discretionary trusts would represent a fundamental change to the way the tax system operates at the moment. The Government is indicating that the 30% tax would initially be paid by the trustee, with beneficiaries (other than companies) receiving a non-refundable tax credit for the tax paid at the trust level. This measure is aimed at curbing income splitting to lower-taxed family members and corporate beneficiaries (often known as bucket companies).

Some exemptions may apply, including for fixed and widely held trusts, superannuation funds, special disability trusts, deceased estates, charitable trusts, primary production income and some other specific trust types.

While the Government has indicated that existing discretionary testamentary trusts would be exempt from these changes, concerns have been raised about the application of the changes to testamentary trusts that come into existence after Budget night. However, reports in the media suggest that the Government is open to reconsidering this aspect of the changes, but we will have to wait and see how this plays out.

To assist with transitions, three years of roll-over relief will be available for restructures into companies or fixed trusts. However, very little information is known yet regarding any roll-over relief.

Are your motor vehicle logbooks up-to-date?



Individuals/Sole traders and some partnerships can use the logbook method when claiming expenses for motor vehicles. This method allows you to claim the work-related portion of *all* your actual car expenses (e.g., fuel, insurance, registration, and depreciation). Your claim is calculated by multiplying your total yearly car expenses by your **business-use percentage**, calculated from your log book.

If this is the first year you have used the logbook method, you must keep a logbook for at least 12 continuous weeks during the income year. That 12-week period needs to be representative of your travel throughout the year. If you started to use your car for business-related purposes less than 12 weeks before the end of the income year, you can continue to keep a logbook into the next year so it covers the required 12 continuous weeks.

Each logbook you keep **is valid for five years**, but you may start a new logbook at any time. To use this method, you must:

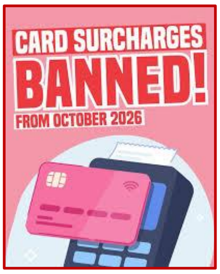
- **Own or lease the vehicle** you are claiming for.
- **Keep an official logbook** for at least a continuous 12-week period.
- **Record all trips** during that 12 weeks, detailing which were for business/work and which were personal.
- **Record odometer readings** at the start and end of the logbook period, as well as at the start and end of the financial year.
- **Keep all written evidence** and receipts for your running costs and decline in value (depreciation).

Director ID Numbers

If you are the director of a company it is a requirement that you have a Director ID Number (DIN). New directors must obtain a DIN prior to being appointed as a director and there are strong penalties for not complying with this requirement. For instructions on applying for the DIN visit www.abrs.gov.au.

Reminder: Trust resolutions

Trustees (or directors of a trustee company) need to decide on the income distributions they plan to make by 30 June 2026 at the latest, if not earlier. Decisions made by the trustees should be **documented in writing by 30 June 2026**. If valid resolutions are not in place by 30 June 2026, the risk is that the trustee is taxed at the highest marginal rate.



Debit and Credit surcharges are ceasing

The Reserve Bank of Australia has confirmed that all surcharges on debit and credit card payments across eftpos, Mastercard and Visa will be banned from 1 October 2026.

Remember your annual not-for-profit (NFP) self-review return

A reminder that non-charitable not-for-profits (NFP) with an active ABN are required to lodge an annual NFP self-review return with the ATO each year.

Be Alert to Scammers!

Scammers impersonate many organisations, including the ATO, via email, SMS, phone calls, social media, and fake websites. If you're unsure it's the ATO, don't engage. The ATO will NEVER send texts or emails with links to services. It will also NEVER ask you for your tax file number or bank details via return email, SMS, or on social media.

If you're uncertain about any communication regarding myGov or the ATO, please call us. It's better to be safe than sorry.

What to do if you have been scammed?

- If you think you have been scammed, contact the Services Australia Scams and Identity Theft Helpdesk on 1800 941 126.
- To report a scam to the ATO contact them on 1800 008 540.
- Call our offices on 02 6852 1855 or 02 6862 1444.

As part of completing your end of year accounting and tax obligations we usually require the following information. This is a brief, general list and not all items may be applicable to your circumstances.

Business & Wages

- End of Year (EOY) closing trading stock values/livestock numbers, including deaths and natural increase.
- Copies of bank, loan statements, new equipment finance agreements and schedules for the period 1 July 2025 to 30 June 2026.
- Full details of property sale/purchase contract notes, together with settlement and solicitors' invoices for each CGT event and other selling costs.
- Invoices for purchase or sale of depreciating assets.

Personal and Investments

- Annual agent rental statements for the year ending 30 June 2026, together with supporting invoices and notices for expenses, with full year loan statements if financed.
- Don't forget to provide and get an acknowledgement of advice from your super fund if you are claiming any personal super contributions. You need this acknowledgement before we can lodge your tax return.
- Details of your personal deductions, including donations.
- Share portfolio reports, with sale & purchase contract notes and dividend details for the year.
- EOY interest summary.
- Information for any unusual transactions.
- Work related expenses – claims must have a clear connection to income earning activities and be substantiated with records.

Do I need to keep my receipts/tax invoices?

Yes, you do need to keep your receipts and tax invoices. Bank statements alone don't show the full story. Make sure to keep your receipts so you have enough evidence to support your expense claims.

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