Belmores

Spring 2026

September is upon us, and spring is in the air. It's time to shake off the winter cobwebs and enjoy the warmer weather the new season brings.

In a mixed picture for the Australian economy, inflation eased but not as much as expected. Meanwhile, rapidly rising discretionary spending along with global uncertainties may mean another interest rate rise in September or November.

The CPI was at 3.5% in the 12 months to July, down from 3.8% but a bigger fall was expected. And, underlying inflation, which the Reserve Bank watches more closely, remained steady at 3.6%.

Consumer confidence improved during August, rising to its highest level since March. Nonetheless, the result is considerably lower than a year ago.

There were some solid gains (and falls) in Australian shares during the month with the S&P/ASX 200 above 9000 for the first time since the Iran air strikes began. Globally, markets remained resilient despite the ongoing uncertainty.

The Aussie dollar ended August at its highest level in three months.

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Why Transition to Retirement deserves a second look

For many people approaching retirement, the transition from full-time work to retirement is no longer a sudden stop. Instead, it's often a gradual process that involves reducing work hours, maintaining cash flow and continuing to build retirement savings.

One strategy that can support this approach is a Transition to Retirement Income Stream (TRIS or TTR).[i]

While TTR strategies have been available for many years, they are often overlooked despite offering valuable flexibility for people in their 60s who are still working.[ii]

What is a TTR strategy?

A TTR strategy allows you to access some of your superannuation while continuing to work, provided you have reached your preservation age. For anyone born on or after 1 July 1964, preservation age is 60.[iii]

The arrangement works by transferring part of your super balance into a TTR pension account. You then receive regular pension payments while continuing to earn employment income. This can help replace lost income if you reduce your working hours or supplement your cash flow while making additional contributions to super.

Unlike a standard retirement-phase pension, a TTR pension has restrictions. Generally, you must draw a minimum pension each year and cannot withdraw more than 10 per cent of the account balance annually. Lump-sum withdrawals are generally not permitted while the TTR remains in the pre-retirement phase.[iv]

Who might benefit?

A TTR strategy may suit people who:

- want to reduce their working hours without a significant drop in income
- are approaching retirement but are not ready to stop work completely
- earn a moderate to high income and wish to boost superannuation through salary sacrifice
- want greater flexibility in planning their transition from work to retirement.

For example, someone aged 60 might decide to move from working five days a week to three days a week. By drawing a pension from their super, they can help replace part of their lost income and ease gradually into retirement.

Combining work income and pension payments

One of the key attractions of a TTR strategy is the ability to combine employment income with pension payments.

If you are aged 60 or over, pension payments received from a TTR income stream are generally tax-free in your hands. Instead of experiencing a substantial reduction in disposable income, a tax-free pension payment can help bridge the gap.

The tax-saving strategy

Another commonly used TTR strategy involves salary sacrifice.[v]

In this approach, an employee diverts part of their salary into superannuation through concessional contributions, which are generally taxed at 15 per cent within the super fund. The reduction in take-home pay is then partially replaced through tax-free TTR pension payments.

For people on higher marginal tax rates, this may improve tax efficiency because income that would otherwise be taxed at personal rates may instead be contributed to super and taxed at a lower rate. The TTR pension can then be used to maintain cash flow.

In some circumstances, this strategy may also help increase retirement savings while maintaining a similar standard of living before retirement.

Is a TTR strategy right for you?

A Transition to Retirement strategy can provide valuable flexibility for people who want to scale back work, supplement their income or potentially improve the tax efficiency of their retirement planning.

But the benefits depend heavily on individual circumstances, including age, income level, super balance, retirement objectives and tax position. What works well for one person may offer little benefit for another.

If you are approaching retirement and would like to explore whether a TTR strategy could help you achieve your goals, please contact our office. We can help assess whether the approach aligns with your broader retirement and financial planning objectives.

i https://www.ato.gov.au/individuals-and-families/jobs-and-employment-types/working-as-an-employee/leaving-the-workforce/transition-to-retirement

ii https://moneysmart.gov.au/retirement-income-sources/transition-to-retirement

iii https://www.ato.gov.au/individuals-and-families/super-for-individuals-and-families/super/withdrawing-and-using-your-super/super-withdrawal-options#Preservationage

iv https://www.ato.gov.au/individuals-and-families/super-for-individuals-and-families/self-managed-super-funds-smsf/paying-smsf-benefits/income-stream-pension-rules-and-payments/transition-to-retirement-income-streams

v https://moneysmart.gov.au/retirement-income-sources/transition-to-retirement

>> TAX ALERT

September 2026

Key changes for businesses, SMSFs and employers

A new range of tax measures and compliance changes were recently announced and are set to affect businesses, investors and trustees. Here's a roundup of the latest tax news.

New approach for PAYG instalments

A new way of managing pay as you go (PAYG) instalments will be introduced from 1 July 2027.

Businesses will be able to use dynamic PAYG, ATO-approved calculations in their accounting software to vary their tax instalment payments in line with real-time business conditions.

The ATO says it will not apply a general interest charge (GIC) if dynamic PAYG is used as intended.

It's important to note these measures are not yet law.

Rule change for SMSF borrowing

Self-managed Super Fund (SMSF) trustees need to be aware that more restrictive tax rules now apply to borrowing money under Limited Recourse Borrowing Arrangements (LRBA).

From 10 August 2026, LRBAs can only be used to acquire real property if it meets the definition of 'business real property'.

Existing LRBAs that were entered into before 10 August 2026 are unaffected, as are refinancing arrangements relating to those existing borrowings.

The changes do not apply where a binding contract for the acquisition of a property is exchanged before 10 August 2026 (even if the contract is settled or the LRBA is entered into after this date).

Luxury car tax rate change

The 2026-27 luxury car tax (LCT) threshold has been announced, with vehicle purchases over the threshold attracting the luxury car tax rate of 33 per cent.

From 1 July 2026, the LCT threshold for fuel efficient vehicles increased ever so slightly to $91,661, up from $91,387 in 2025-2026, with the threshold for other vehicles now sitting at $80,809.

Change to penalty fees

Administrative penalties for taxpayers failing to meet their tax obligations also increased from 1 July 2026.

The penalty amount for the current financial year has increased to $364 per unit, up from $330, which applied for the 1 November 2024 to 30 June 2026 period.

The ATO imposes different penalty unit amounts based on several factors including taxpayer behaviour and the amount of tax avoided.

Payday Super compliance tips

The ATO has reiterated that, during the first year of Payday Super, it will focus on helping employers transition to the new rules. From a compliance perspective, it will consider an employer's behaviour more than genuine mistakes or unintentional errors.

The best way to minimise the risk of compliance action is to pay your super contributions every payday and fix any errors quickly.

If you make a mistake, it should be corrected as soon as possible and outstanding contributions paid to the fund immediately, rather than waiting to receive a notice of assessment.

SG payment timing for contractors

The ATO has warned employers there is no separate timing or special treatment for contractors under the Payday Super regime.

Super for eligible independent contractors must be paid each payday and must reach the contractor's fund within seven business days after payday.

Division 296 reminders

The ATO has recommended that individuals with Total Super Balances (TSB) above the large super balance threshold ($3 million for 2026-2027) and very large super balance threshold ($10 million for 2026-2027) check the Division 296 web guidance.

Under the new tax rules, the ATO calculates your TSB based on information provided by your super fund and then uses the fund's earnings report to calculate Division 296 tax and issue a notice of assessment.

As the new rules change the calculation of TSBs, the ATO suggests that eligible taxpayers discuss the implications with their accountant.

Updated trust reporting requirements

From 1 July 2026, trustees of closely held trusts are no longer required to lodge a quarterly beneficiary tax file number (TFN) report.

The ATO is currently reminding trustees they are now required to report beneficiary TFNs in their statement of distribution when completing the trust's annual return.

There is no change to the existing TFN withholding and reporting obligations if a beneficiary fails to quote their TFN before distribution payments.

Source: https://www.ato.gov.au

The business of winning

We see the winning moments in sport. The gold medal celebrations. The match-winning performances. The standing ovations and record-breaking achievements.

What we don't see are the efforts that made them possible.

Whether it's the drama of the World Cup, the incredible achievements celebrated at the Commonwealth Games, or the excitement of footy finals season, elite sport reminds us that success is rarely an overnight achievement. Behind every medal, premiership and world title are thousands of hours of preparation, setbacks and sacrifice.

In many ways, small business owners are like elite athletes. Not because they push their bodies to the limit to succeed, but because they understand success is built through consistency, resilience and the willingness to keep moving forward even when things don't go to plan.

While the playing fields may look different, the mindset behind success is remarkably similar. The approaches that help athletes perform at their best can also contribute to building a strong business. Let's explore those secrets to success and how they can apply to small business.

"It's a marathon, not a sprint." – AMBY BURFOOT

When we watch elite athletes, we're seeing the result of years of preparation. What we don't see are the early mornings and countless training sessions. The perseverance over time.

Business is much the same. Your customers see the finished product. They don't see the late nights, difficult decisions or the hard work over months or years that made it possible.

Success rarely comes quickly or from one defining moment. More often, it's built over time by taking small steps.

"Success is built on endless repetition." – SIMONE BILES

Elite athletes don't spend every training session trying something new. They master the fundamentals. The world's best swimmers still practise their turns. The best footballers work on passing drills. Tennis players spend countless hours perfecting their serve. They understand that repetition is where improvement happens.

As business owners, we're often chasing the next big idea. Sometimes the greatest gains come from getting better at the basics. That might mean investing more in staff training, streamlining internal processes or simply making small tweaks week after week. Progress isn't always exciting, but it is powerful.

"Every loss has a lesson." – KOBE BRYANT

One of the greatest lessons elite sport teaches us is that success isn't always measured by a gold medal. The path to success can be littered with failures.

The same is true in business. Didn't win the tender? Learn from it. Had a quieter month than expected? Review what worked and what didn't. Tried something new that fell flat? Take the lesson and move forward.

A setback is rarely the end of the story. Sometimes it's just being better than you were yesterday.

"I've never scored a goal without getting a pass from someone else." – ABBY WAMBACH

Sport might celebrate individuals, but success is usually a team effort. Behind every athlete is a support network helping them perform at their best. Coaches, trainers, and teammates all play an important role.

Business is no different. Whether it's your employees, professional network or family cheering you on from the sidelines, building a successful business isn't something you have to do alone.

"Success is about perseverance." – ASH BARTY

Athletes don't train only when they feel motivated. They train because they've developed habits and routines that support their goals.

The same principle applies in business. Building a successful business isn't about being exceptional occasionally. It's about being consistently good. Returning calls promptly. Delivering excellent service. Continuing to learn. Showing up when things are difficult. These habits are often what separates businesses that survive from those that thrive.

"The final goal requires years of patient building." – IAN THORPE

Champions aren't made in one game, season or tournament. They're built over time, through perseverance, preparation and continuous improvement.

In business, there will be wins worth celebrating and challenges that test your resolve. There will be periods of growth and moments when progress feels slower than you'd like. The important thing is to keep moving forward.

As we watch athletes compete, it's worth remembering that what makes them successful isn't talent alone. It's the choices they make every day when nobody is watching.

Success isn't built solely on the winning moments. It's built in the moments that nobody else sees. Keep showing up, keep improving and keep playing the long game.