

Welcome to Gibson & Partners' Newsletter

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Support for rebuilding after natural disasters

If you've lost your home, property or business to a natural disaster, knowing what to do next can be daunting. The good news is there's help available to help you navigate the recovery process.

The Federal Government and state and territory governments work together to provide support where natural disasters have been declared. Visit the National Emergency Management Agency website for links to state or territory disaster recovery websites.

Disaster assistance payments may be available in officially declared disaster events. The Australian Government Disaster Recovery Payment (AGDRP) is a one-off non-means tested payment of \$1,000 per eligible adult and \$400 per child, while the Disaster Recovery Allowance (DRA) provides short-term income support for up to 13 weeks to eligible individuals.

Contact your insurance company as soon as you can, ideally within 24 hours. Most insurers have emergency hotlines and may offer emergency cash advances within days or temporary accommodation funds if your home is uninhabitable. If you've lost your policy documents, the Insurance Council of Australia can help you identify them.

Major Australian banks have hardship teams that can pause loan repayments, waive fees or temporarily extend credit. Don't wait until you've missed a payment – early communication protects your credit rating and opens doors to assistance.

Don't fall prey to disaster chasers

"Disaster chasers" are individuals or companies who target areas hit by natural disasters. They typically approach through unsolicited door knocks, phone calls, text messages, letterbox drops or targeted online advertisements, claiming to offer quicker, cheaper or specialised repair services. While some offers may be legitimate, be wary of anyone who offers "today-only" deals, demands money upfront or immediate contract signing, asks you to sign anything that prevents direct communication with your insurer, or claims to be from your insurance company without prior notification.

Beware of donation scams

If you're looking to help those affected, only make donations for disaster relief to reputable charities. For example, some state governments partner with organisations like GIVIT to support affected communities. Scammers often impersonate well-known charities through door-knocking or cold-calling, and create fake websites and social media pages to deceive you in the wake of a disaster. You can verify a charity's registration on the Australian Charities and Not-for-profits Commission website, and report suspected scams to Scamwatch.

Student loan debts: what you need to know about the latest changes

If you're among the more than three million Australians with a student loan, there's welcome news that could significantly lighten your financial load. The Australian Government's legislation to reduce

student loan debt by 20% is now being applied. The ATO applies the 20% reduction to your student debt balance as at 1 June 2025, before indexation was applied, with the 2025 indexation recalculated on the reduced debt amount.

You don't need to take any action. Most people were due to receive their reduction before the end of 2025, and more complex reductions are being processed by the ATO in early 2026. The ATO will notify you via SMS, email or your myGov inbox when your reduction has been applied.

If your loan account's in credit after the reduction is applied, you may receive a refund – although, if you have outstanding tax or other Commonwealth debts, the ATO will apply your credit to these debts first.

Changes to repayment thresholds

From 1 July 2025, the minimum repayment income needed to make a compulsory repayment has increased to \$67,000 for the 2025–2026 income year. Compulsory repayments have also moved to a marginal repayment system, meaning they're only calculated on the part of your income above \$67,000 (instead of your total repayment income). This will reduce annual repayments for most people.

If your repayment income is \$179,286 or more, your compulsory repayment will continue to be 10% of your total repayment income, meaning you won't be worse off because of the shift to marginal rates.

These changes may have important tax implications for you. Speak with your professional tax adviser to understand the full impact on your financial position.

Beware of pump and dump investment schemes

Late 2025 saw a concerning surge in “pump and dump” schemes targeting Australian investors, with ASIC reporting a notable rise in complaints to the regulator. If you've been active in the markets recently, particularly with small-cap stocks, you need to be aware of these increasingly clever scams that could cost you thousands.

Pump and dump operators artificially inflate share prices through false rumours and misleading information, then sell their own holdings at the peak, leaving unsuspecting investors with worthless shares. These schemes specifically target small-cap securities with low liquidity because even minor announcements can dramatically impact their share prices.

Scammers typically identify thinly traded stocks, then flood social media platforms, online forums and messaging apps with false information designed to create excitement and urgency around the investment. They might use fake celebrity endorsements, paid advertisements that appear high in search results, or coordinate multiple “finfluencer” endorsements to create the illusion of genuine market buzz.

Warning signs to watch for

Several red flags should immediately raise your suspicions:

- unsolicited marketing creating urgency around specific investments;
- sudden rushes of commentary about little-known investments across multiple forums;
- social media advertisements directing you to private chat groups;
- fake celebrity endorsements or testimonials;
- strange market behaviour, such as sudden price spikes in typically stable investments; and
- claims of “inside information” or “guaranteed returns”.

Before making any investment decision, especially in small-cap stocks, take time to verify the information independently. Check the company's official announcements, research its financial position and be particularly wary of investments promoted through social media or unsolicited communications.

If you suspect you've encountered a pump and dump scheme, report it immediately to Scamwatch, the ATO or ReportCyber. Quick reporting can help protect other investors and assist authorities in their investigations.

Don't miss out this year: GST credits, fuel tax credits and your BAS

As 2026 kicks off, it's a good time to make sure your business isn't missing out on valuable GST and fuel tax credits.

GST credits

GST credits (input tax credits) are GST amounts you've paid on business purchases that you can get back, as long as you meet the requirements. If you buy something for your business and it includes GST, you can claim a credit on your BAS for that GST to reduce the amount owed to the ATO.

Only GST-registered businesses can claim GST credits, and you can only claim credits for goods or services used in running your business (not for personal expenses). The supplier must have charged you GST as part of the purchase price, and for purchases over \$82.50 (including GST) you need a valid tax invoice.

Importantly, there's a time limit for claiming GST credits. Credits expire four years after the BAS due date for the period when you first could've claimed them. After that you miss out, so remember to review older expenses within the four-year window.

Fuel tax credits

Fuel tax credits are another way to put money back into your business. When your business uses eligible fuel in certain vehicles, machinery or equipment for work, you can claim a credit on your BAS for the fuel tax (excise) already built into the fuel price.

You need to register for fuel tax credits (as well as registering for GST). Fuel tax credit rates are indexed twice a year, and different activities have different rates.

Not all fuel use is eligible, and vehicle and machinery types matter. For example, fuel used in passenger cars or light vehicles on public roads doesn't qualify for credits, because the government already reduces that excise with a road-user charge.

Fuel tax credits also have a four-year time limit from the BAS due date for the period when you could first have claimed them.

Your tax agent can help you assess whether fuel used in your business equipment or heavy vehicles is eligible for fuel tax credits, what rates apply, and whether you should claim by correcting a past BAS or including missed credits in your next BAS.

Don't wait until the last minute to sort out credits or lodge returns. Starting the year right will save you headaches later, and you can unlock some business cash flow in the process.

The ATO's latest playbook for SMSF education directions

Running a self managed superannuation fund (SMSF) gives you control over your retirement savings, but it also means you're responsible for following complex rules. When things go wrong, education directions are becoming an increasingly important part of the ATO's approach.

An education direction is essentially the ATO's way of sending you "back to school" when you've broken superannuation rules. Instead of immediately hitting you with heavy penalties, the ATO can require you to complete an approved course about your trustee responsibilities.

The newly published Practice Statement PS LA 2026/1 clarifies when the ATO will use this tool.

You might receive an education direction if:

- your SMSF has breached superannuation rules;
- the ATO believes your lack of knowledge contributed to the mistake;
- the breach wasn't malicious or fraudulent; and
- you haven't received an education direction before.

Common contraventions that might trigger an education direction include making loans to members, accessing super early, exceeding investment limits or failing to separate your personal assets and fund assets.

If you receive an education direction, you must complete the specified course within the given timeframe, provide evidence of completion to the ATO and sign or re-sign your trustee declaration within 21 days. Failing to comply results in penalties of up to 10 penalty units (potentially thousands of dollars in fines) and could lead to more serious consequences like trustee disqualification.

The ATO won't offer education directions in all situations. If you're a repeat offender or an experienced professional who should know better, or if the breach is serious or deliberate, you'll likely face harsher penalties instead.

Even if you weren't directly involved in the breach, you can still receive an education direction if you were a trustee when it occurred. All SMSF trustees are jointly responsible for compliance.

If you're running an SMSF, don't wait for problems to arise. Take advantage of the ATO's online education modules to understand your responsibilities; stay informed about rule changes; and maintain good records.