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Client Newsletter – December 2025

Our Services

SWON provides a comprehensive range of business advice and accounting services, with specialists in the areas of taxation, business services, and financial planning. Our long history of commitment to service excellence and client satisfaction has contributed to our current leadership status. We can optimise your company's profitability through:

- budgeting and planning
- preparation of financial statements
- business and ownership structures
- trusts, asset protection and estate planning
- family business advice
- superannuation advice
- retirement planning
- access to professional accounting staff
- bookkeeping services

Features

Workplace Christmas Celebrations

Here's our quick guide to the tax impact of Christmas celebrations. The information is for GST registered businesses that are not using the 50-50 split method for meal entertainment. Employers should keep detailed records of any entertainment-related benefits, so they can determine whether exemptions apply and calculate their taxable value. Employers also need to remember that when entertainment is provided to employees it won't normally be possible to claim a deduction or GST credits for the expenses unless they are subject to FBT.

	FBT exempt	Tax deductible	GST credits
Christmas party on employer premises on a weekday			
Employees	Yes	No	No
Associates of employees (spouses etc.)	If <$300 per head	If $300 or more per head	If $300 or more per head
Customers	N/A	No	No
Christmas party (employer premises or external venue)			
Employees	If <$300 per head	If $300 or more per head	If $300 or more per head
Associates (spouses etc.)	If <$300 per head	If $300 or more per head	If $300 or more per head
Customers	N/A	No	No
Christmas gifts (assuming the gift doesn't involve entertainment)			
Employees	If <$300 per head	Yes	Yes
Associates (spouses etc.)	If <$300 per head	Yes	Yes
Customers	N/A	Yes	Yes

Saving Money Over the Festive Season

Christmas time can put a lot of pressure on the household budget in December, with some of us spending hundreds, even thousands in the lead up to Christmas. This kind of pressure can take away from the enjoyment of celebrating, relaxing and spending time with family and friends during the festive season.

Here are a few tips to help you prepare and minimise spending this festive season:

- Put your budget in writing - Split out the various spending categories such as gifts, entertainment, decorations and food. By having these details broken down and in writing , it is more likely you will keep track of your spending and less likely to make impulse purchases.
- Don't leave shopping to the last minute, start early and take advantage of sales.
- Consider opening a bank account and transfer a fixed amount regularly throughout the year for Christmas purchases.
- Cut back on expensive presents - Gift giving carries meanings of appreciation, love, and connection, so instead of expensive gifts, consider meaningful gestures at Christmas by promising experience over material item, such as personalised gifts, homemade goods or experiences. These gifts show that you have put extra thought and care into it, making the receiver feel valued and special, creating a unique and emotional connection.
- Prepare your menu early - Decide on dishes you would like to make and check what you already have at home that can be used. Ask guests bring a dish to share. Purchase non-perishable items in advance when they go on sale and buy fresh items within a few days of Christmas.
- Avoid using credit cards or buy now pay later services. These encourage impulse

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purchases and come with fees and late charges. If you need to use your credit card, only spend what you are able to pay back within your interest free period.

- Set up spending alerts with your banking apps to alert you when you reach specified limits on your account.

Reducing Christmas spending and focusing on experiences instead of material gifts reduces stress, strengthens family bonds, and creates lasting memories. Experiences over possessions can lead to more happiness, and this approach helps avoid the financial pressure, clutter, and consumer-driven expectations that can take away from the festive spirit.

Extension of the Instant Asset Write-Off

On 27 November 2025, legislation was passed extending the $20,000 instant asset write-off for another year, to 30 June 2026.

Small Business Boost: $20,000 Instant Asset Write-Off Extended

Small businesses with an aggregated annual turnover of less than $10 million will continue to be able to immediately deduct the full cost of eligible assets costing under $20,000 (excluding GST) through to 30 June 2026.

The threshold applies per asset, meaning multiple purchases can qualify if each individual item is under the limit. To claim the deduction, the asset must be first used or installed ready for use by the new deadline.

This measure remains one of the simplest and most practical tax incentives available to small businesses. It provides a direct cash-flow benefit by allowing the full deduction in the year of purchase instead of spreading depreciation over several years, as long as the taxpayer would actually have a tax bill for that year. For example, a tradesperson upgrading tools, or a café purchasing a new fridge or coffee machine, can immediately claim the full deduction – freeing up cash for reinvestment elsewhere in the business.

As the legislation has passed Parliament, now is the time to plan. If you are considering new equipment or technology upgrades, budgeting early ensures assets can be delivered and installed before the cut-off date.

ATO Interest Charges Are No Longer Deductible – What You Can Do

Leaving debts outstanding with the ATO is now more expensive for many taxpayers.

As we explained in the July edition of our newsletter, general interest charge (GIC) and shortfall interest charge (SIC) imposed by the ATO are no longer tax-deductible from 1 July 2025. This applies regardless of whether the underlying tax debt relates to past or future income years.

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With GIC currently at 11.17%, this is now one of the most expensive forms of finance in the market — and unlike in the past, you won't get a deduction to offset the cost. For many taxpayers, this makes relying on an ATO payment plan a costly strategy.

Refinancing ATO Debt

Businesses can sometimes refinance tax debts with a bank or other lender. Unlike GIC and SIC amounts, interest on these loans might be deductible for tax purposes, provided the borrowing is connected to business activities.

While tax debts will sometimes relate to income tax or CGT liabilities, remember that interest could also be deductible where money is borrowed to pay other tax debts relating to a business, such as:

- GST
- PAYG instalments
- PAYG withholding for employees
- FBT

However, before taking any action to refinance ATO debt it is important to carefully consider whether you will be able to deduct the interest expenses or not.

Individuals

If you are an individual with a tax debt, the treatment of interest expenses incurred on a loan used to pay that tax debt really depends on the extent to which the tax debt arose from a business activity:

- Sole traders: If you are genuinely carrying on a business, interest on borrowings used to pay tax debts from that business is generally deductible.
- Employees or investors: If your tax debt relates to salary, wages, rental income, dividends, or other investment income, the interest is not deductible. Refinancing may still reduce overall interest costs depending on the interest rate on the new loan, but it won't generate a tax deduction.

Example: Sam is a sole trader who runs a café. He borrows $30,000 to pay his tax debt, which arose entirely from his café profits. The interest should be fully deductible.

However, if Sam also earns salary or wages from a part-time job and some of his tax debt relates to the employment income, only a portion of the interest on the loan used to pay the tax debt would be deductible. If $20,000 of the tax debt relates to his business and $10,000 relates to employment activities, then only 2/3rds of the interest expenses would be deductible.

Companies and trusts

If a company or trust borrows to pay its own tax debts (income tax, GST, PAYG withholding, FBT), the interest will usually be deductible if it can be traced back to a debt that arose from carrying on a business.

However, if a director or beneficiary borrows money personally to cover those debts, the interest would not normally be deductible to them.

Partnerships

The position is more complex when it comes to partnership arrangements. If the borrowing is at the partnership level and it relates to a tax debt that arose from a business carried on by the partnership then the interest should normally be deductible. For example, this could

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include interest on money borrowed to pay business tax obligations such as GST or PAYG withholding amounts.

However, the ATO takes the view that if an individual who is a partner in a partnership borrows money personally to pay a tax debt relating to their share of the profits of the partnership, the interest isn't deductible. The ATO treats this as a personal expense, even if the partnership is carrying on a business activity.

Practical takeaway

Leaving debts outstanding with the ATO is now more expensive than ever because GIC and SIC are no longer deductible.

Refinancing the tax debt with an external lender might provide you with a tax deduction and might also enable you to access lower interest rates.

The key is to distinguish between tax debts that relate to a business activity and other tax debts. For mixed situations, you may need to apportion the deduction.

If you're unsure how this applies to you, talk to us before arranging finance. With the right strategy, you can manage tax debts more effectively and avoid costly surprises.

ATO Rental Data Matching

The ATO is launching a rental data matching program to ensure taxpayers have correctly reported rental income.

Affected clients will receive a letter if the data suggests they have overdue tax returns with rental income or have omitted rental income in lodged tax returns.

Vacant Residential Land Tax

Vacant residential land tax (VRLT) rules are changing on 1 January 2026.

From 1 January 2026, VRLT may apply to residential land in metropolitan Melbourne that has remained undeveloped for at least five years. Previously, VRLT did not apply to undeveloped land.

The following will be exempt from VRLT:

- Land that cannot be used or developed for residential purposes.
- Land that is contiguous to the owner's principal place of residence.
- Holiday homes (certain conditions to be met).

From 1 January 2026, VRLT may also apply to residential land with a residence outside inner and middle Melbourne; that has been under construction, renovation or uninhabitable for more than two years. Therefore, you may be liable for VRLT in 2026 if you own residential land anywhere in Victoria that has been under construction, renovation or uninhabitable or since 31 December 2023.

The State Revenue Office (SRO) needs to be notified by 15 January if you own residential land and it is vacant for more than six months in the preceding calendar year. This is done via lodgement of VRLT notification on the SRO website. Any exemptions can be included in this form.

For more information, and to view the boundaries of metropolitan Melbourne and inner and middle Melbourne go to sro.vic.gov.au/vacant.

Super Tax Shake-Up: Big Balances Beware

If your super balance is comfortably below $3 million, you can probably relax — the proposed changes to the super rules shouldn't adversely affect you (yet). But if your super is nudging that level, or if you're clearly over, the Treasurer's latest announcement could change how you think about super's generous tax breaks.

For some time now the Government has been planning to introduce targeted measures to reduce tax concessions for those with superannuation balances over $3 million. This has commonly been referred to as the Division 296 tax.

However, the Government has reworked the proposed new tax — part of the Better Targeted Superannuation Concessions (BTSC) policy — attempting to make it simpler, fairer, and more practical. After a wave of industry criticism, the revised version keeps the broad policy intent (reducing tax concessions for very large balances) but removes some of the more problematic features.

Let's break down what's changed and what it means for you.

What's Changing — and Why It's Simpler

The original 2023 proposal aimed to apply an extra 15% tax on "earnings" from super balances above $3 million. The big flaw? "Earnings" included unrealised gains — paper profits on assets like property or shares that hadn't been sold. This meant some people could have owed tax on increases in value they hadn't actually received in cash.

The reworked model drops unrealised gains from the equation entirely, taxing only realised earnings — actual income and capital gains when assets are sold. This makes the system far more practical and aligned with everyday tax rules. No more worrying about funding a tax bill on assets you haven't sold.

A Fairer, Tiered Approach

The new rules introduce a two-tier system for high balances:

- Tier 1 ($3m–$10m): Extra 15% tax on earnings from this portion (making a total rate of 30%).
- Tier 2 (over $10m): Extra 25% tax on earnings above $10m (for a total rate of 40%).

Both thresholds will be indexed annually to inflation ($150,000 steps for the $3m tier and $500,000 for the $10m tier), which should prevent "bracket creep" over time.

Importantly, the start date has been pushed back to 1 July 2026, with the first assessments expected in 2027–28.

The Government estimates less than 0.5% of Australians will be affected at the $3m level, and fewer than 0.1% at the $10m mark.

What This Means in Practice

Here are a couple of examples from Treasury to help you get your head around this.

Consider Megan, who has a $4.5 million super balance split between an SMSF and an APRA fund. She earns $300,000 in realised income for the year within the super system. The super balance above $3m represents is one-third of the total balance, so she'll pay $15,000 in additional Division 296 tax (15% × 33.33% × $300,000).

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Emma, on the other hand, has $12.9 million in her SMSF and $840,000 in earnings. She pays 15% on the Tier 1 portion and an extra 10% on the Tier 2 portion—a total of around $115,000 in extra tax.

These examples show how the tax scales up progressively. The ATO will calculate each individual's total super balance across all funds (SMSFs and APRA funds) and determine the proportionate amount of earnings to be taxed.

Why It's Still Good News (for Most)

For many SMSF members, this update is a relief. By removing unrealised gains, it eliminates valuation headaches and liquidity pressures — particularly for those holding property or unlisted assets.

That said, individuals with super balances above $10m will face a higher overall rate (up to 40%), which may prompt a rethink of long-term strategies.

However, remember that updated legislation relating to this measure hasn't been introduced to Parliament and things could change before the proposed rules become reality.

What to Do Now

1. Check your total super balance (TSB) now and project where it may be by 2026.
2. Seek advice early — strategies like managing liquidity, reviewing asset allocations, and timing asset sales could make a real difference.
3. Stay informed — draft legislation is expected in 2026. We'll keep you updated through our newsletters.

Overall, the Government's revised approach strikes a more balanced tone: fewer administrative headaches for most, but less generosity for the ultra-wealthy. If your balance is near or above $3 million, now's the time to plan ahead — not panic.

Your future self (and we) will thank you.

Boosting the Low Income Super Tax Offset (LISTO)

The Government has announced proposed changes to the low-income superannuation tax offset (LISTO) from 1 July 2027.

The maximum LISTO payment will increase by $310 to $810, and the eligibility threshold will rise from $37,000 to $45,000.

Draft legislation is expected to be introduced in 2026 for consultation.

'Payday' Super – Fundamental Changes for Employers from 1 July 2026

If you run a business, you already know the juggling act that comes with managing the payroll process — paying staff on time, managing cash flow, and staying compliant. From 1 July 2026, there's a major change coming that will reshape how you handle superannuation contributions for staff.

It's called Payday Super, and it became law on 4 November 2025. The new rules are designed to close Australia's $6.25 billion unpaid super gap and make sure employees — especially casual and part-time workers — get their retirement savings when they get paid.

What's Changing?

From 1 July 2026, you'll need to pay superannuation guarantee (SG) contributions at the same time as wages, rather than weeks or

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months later. Employers will have seven business days from payday to ensure contributions hit employees' super funds.

If payments are late, the Superannuation Guarantee Charge (SGC) will apply — that means paying the missed super plus an interest and administration penalty. Once SGC has been assessed, additional interest and penalties may apply if the SGC liability isn't paid in full.

Unlike the existing system, SGC amounts will normally be deductible to employers, although penalties for late payment of SGC won't be deductible.

On top of this, the ATO will retire the Small Business Superannuation Clearing House (SBSCH) platform from 1 July 2026 for all users and alternative options should be sought.

The change isn't just about compliance — it's about impact. The Government estimates the earlier payments could boost an average worker's retirement balance by around $7,700.

Why It's Good for Business

This reform might sound like extra admin, and it might take a bit of getting used to, but it can actually simplify your payroll process and strengthen your reputation as an employer.

- Less admin – Paying super when you run payroll means no more quarterly payment crunches.
- Fewer compliance risks – ATO data-matching will pick up issues faster, helping you avoid penalties before they snowball.
- Stronger employee trust – Staff can see their super growing in real time, which might help with engagement and retention.
- Smoother cash flow management – Paying smaller, regular amounts of super is often easier to manage than large quarterly sums.

The ATO will take a "risk-based" approach for the first year, focusing on education and helping businesses transition smoothly. If you pay on time, you'll likely be flagged as low risk, meaning fewer compliance checks.

Practical Steps to Take Now

You've got time before the rules kick in, but the smart move is to prepare early. Here's how:

1. Check your payroll software. Most modern systems (like Xero, MYOB, or QuickBooks) already support payday-aligned super. Confirm your setup and check if any updates or integrations are needed.
2. Map your pay cycles. Note how often you pay staff (weekly, fortnightly, monthly) and calculate the seven-day payment window for each.
3. Brief your team. Make sure whoever manages payroll understands the changes. The ATO has free online resources and webinars to help.
4. Plan your cash flow. Consider shifting from quarterly to more regular payments now to get used to the timing. Smaller, frequent super payments can reduce cash flow shocks.
5. Monitor and review. Set up a monthly check to ensure super contributions have cleared correctly. Keep an eye on ATO updates as final guidance is released.

If you outsource payroll, contact your provider soon — many are already updating systems for Payday Super and can help you make a seamless switch.

The Bottom Line

Payday Super isn't just a compliance change — it's an opportunity to make your payroll more efficient, your staff happier, and your business more compliant with less effort. With the laws now passed and just over 6 months to prepare, it's time to get ahead of the curve.

SWON will be on hand to help clients through transition to payday super.

Cyber in Accounting: Safeguarding Financial Data in a Digital Age

Cybersecurity is fast becoming a critical business strategy – and if it's not, it should be. Many businesses hold critical data that poses significant risk to both businesses and their customers if the data they hold is not safeguarded from cybersecurity threats.

The largest threats to businesses come from external entry points exposed by staff, through phishing links, malware being downloaded and payment fraud. The valuable information held by some businesses (such as professional firms) make them prime for cyber attacks, which can have devastating impacts on businesses and their customers.

Outside of Government organisations, the financial services sector was the most targeted industry in Australia in FY 2024/25, with the cost of these cybercrimes increasing up to 55% for small and medium businesses.

People: The Biggest Cyber Risk

But where does your cyber strategy start, and how do you know what the risks are? The biggest risk to Australian businesses is its people. More than 85% of all cybersecurity incidents are caused by human error. The top three incident types all rely on staff and business decisions to gain access into systems, meaning it is more important than ever to conduct regular staff training.

Our regular staff training at SWON focusses on identifying phishing attempts, understanding what to look for in malicious emails and content and how to maintain healthy password practices.

Technology and Updates: Don't Let Legacy Systems Create Weaknesses

Another considerable business risk is legacy hardware and software being used in your environment. It might seem like a small frustration, turning your computer off for updates regularly, and using the latest versions of software, replacing hardware to align with required standards, but it works to close the gaps of security vulnerabilities.

Recommendations aligned with the Australian Signals Directorate's Essential 8 Framework are that all critical vendor patches are applied within 48 hours of release, and any non-critical patches are applied within two weeks. This method applies to networking equipment, third party vendor software and device operating systems.

Recently, Microsoft have made the Windows 10 Operating System End of Life (EOL) which means that devices still running on this operating system can no longer receive security updates, a vulnerability that malicious actors will no doubt use to their advantage.

Visibility and Monitoring: Detecting Threats Early

Realistically, you cannot defend what you cannot see. An important safeguard is event logging, reporting and alerting being setup in your environment.

Just by way of example, the average breach for financial services businesses in Australia takes 288 days to detect. 288 days of unmitigated breaches, access to customer and staff data, contact lists, patterns of behaviour and possibly already setting up rules and routing inside the environment that the business is entirely unaware of.

Setting up appropriate logging and alerts to ensure that you are notified when something risky, like logging in from Australia at 10am and Japan at

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11am, is happening inside your environment. Understanding when unauthorised access to systems has occurred is critical in being able to then assess the potential scope of an incident, so it can then be managed.

The Importance of a Cyber Incident Response Plan

A Cyber Incident Response Plan (CIRP) might seem like another piece of paper, but it is critical in defining the steps that your organisation needs to take to act, mitigate and respond to a cyber event. An adequate CIRP will include several critical components, but the incident management team, detection methods, incident categorisation, evidence process and resolution plans form the baseline of what will help an organisation act swiftly, and appropriately for the event type.

A CIRP that has been tested regularly ensures that in the event of a cybersecurity incident, your organisation has a prioritised and effective response that deals with the technical concerns, the potential data breaches and any ongoing communications required either internally or externally with customers and stakeholders.

Protecting Your Business, Clients, and Reputation

In today's digital world, it is never more important for businesses to ensure their data, systems, staff and clients are protected from threats. Cybersecurity and risk strategies are critical in this landscape and should consider different components, including staff training, technology strategies, data and information handling policies, and incident response plans.

Considering cybersecurity as a business strategy is how organisations will survive, and thrive, and ensure that their reputation, financial security and customers are protected.

Cybersecurity awareness

The ATO is raising awareness for cyber threats against Australian businesses and the importance of adopting a cyber safe culture.

The ATO is helping small business stay safe online with new free online cybersecurity courses.

To make cybersecurity a daily habit, the ATO recommends:

- Employees set up a high-strength myID and use the ATO app for real-time account alerts.
- Businesses keep devices updated, use strong passphrases and enable multi-factor authentication (MFA).

Dual Cab Utes and FBT

The ATO is focusing on the application of FBT to dual cab utes as it believes that this is something that is frequently misunderstood.

When employers provide dual-cab utes to employees, there is an FBT exemption that can sometimes apply. However, this isn't automatic and there are some important conditions that need to be satisfied. Several factors determine FBT liability:

Determine if the dual-cab ute is a "car" (designed to carry a load under 1 tonne and fewer than 9 passengers).

- **If it is a car**: Check the car fringe benefit rules. An exemption may apply only if the vehicle isn't primarily designed to carry passengers and private use is restricted to home-to-work travel, work-related incidental travel, and minor, infrequent private use.
- **If it isn't a car**: Refer to residual fringe benefit rules. A full FBT exemption is possible if private use is limited to home-to-work travel, incidental work-related travel, and minor, infrequent private use.

Even if it appears that the exemption is available, employers need to ensure that they retain records to support this. Employers might also consider requiring employees to keep valid logbooks and odometer records in case the exemption isn't available.

Unlocking Tax Savings - Can Your MBA (or Other Studies) Pay Off at Tax Time?

If you've invested in further study — an MBA, a leadership course, or a postgraduate qualification — you might be wondering: can this help at tax time?

For many professionals, the answer is yes — but only if the right boxes are ticked. The ATO's rules on self-education expenses are strict, and the line between "deductible" and "non-deductible" can be thin. Getting it right could mean thousands back in your pocket; getting it wrong could mean an ATO adjustment, plus interest and penalties.

Let's unpack how it works with a real-world example and some practical takeaways.

The Scenario: Sarah's MBA

Sarah works in the Department of Defence and recently completed an MBA through a private provider. Her employer supported her studies with a $40,000 study allowance, and the course fees totalled $18,000. She deferred payment using the FEE-HELP loan system and declared the allowance as taxable income in her return.

Now she's asking:

- Can I claim a deduction for my MBA fees?
- Does it matter that I used FEE-HELP?
- Does the employer allowance change things?
- The Type of Loan Matters.

First, not all funding for education courses is treated equally.

HECS-HELP - no deduction: If your course is a Commonwealth supported place (most undergraduate and some postgraduate university programs), you can't claim a deduction. There is specific legislation in the tax system which denies deductions for fees covered by HECS-HELP — even if you pay them upfront and even if the course is closely related to your work.

FEE-HELP - potential deduction: If you're in a full-fee course, your tuition fees might be deductible if the study directly relates to your current employment or business activities. The ATO doesn't allow a deduction for loan repayments later on — just the course fees themselves.

Practical tip: Check your course statement or loan confirmation to see if you're under HECS-HELP or FEE-HELP. Only FEE-HELP (or private payment) gives you potential deductibility.

The "Nexus" Test — Linking Study to Your Current Work

Even if the funding passes the first test, the purpose of the study is key. The ATO will only allow deductions if the course maintains or improves the skills you already use in your job, or is likely to increase your income in that same role.

It won't apply if you're studying to move into a new field or start a different career.

The ATO issued a detailed ruling on this topic in 2024 which provides some clear examples:

Allowed: A store manager doing an MBA to strengthen leadership and business operations skills.

Denied: A sales rep doing an MBA to change careers into consulting — the link to the current role was too weak.

For Sarah, the deduction depends on whether her MBA subjects (like strategy, policy or

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management) build directly on her current Defence role. The fact that her employer funded the course helps demonstrate relevance, but it's not proof on its own.

In some cases you might find that specific subjects or modules are sufficiently linked with current income earning activities, while other subjects are too general in nature for the fees to be deductible.

Employer Allowances and HELP Repayments

The $40,000 allowance Sarah received is assessable income — it's taxed just like salary. But that doesn't stop her from claiming eligible self-education deductions for the course fees.

HELP loan repayments later on are not deductible — they're simply a repayment of debt. The timing of the deduction is based on when the course expense was incurred (not when the loan is repaid).

Making It Practical

If you're planning further study or reviewing a recent course, here's how to make sure you get it right:

Check your loan type – FEE-HELP or private fees can be deductible; HECS-HELP cannot.

Gather evidence – Keep course outlines, job descriptions, and any correspondence showing the study supports your current work.

Claim what's relevant – You can only claim expenses directly connected to your current job (fees, books, and possibly travel).

Be ready for review – Large claims often attract ATO attention. A private ruling can provide peace of mind if the amount is significant.

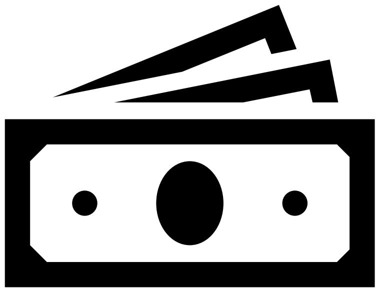
Key Takeaways

For many professionals, postgraduate studies like an MBA can deliver both career and tax benefits — but only if they relate directly to your current role.

Handled correctly, self-education deductions can return thousands in tax savings. For Sarah, that could mean a refund of over $5,000 on an $18,000 course.

If you're considering further study, talk to us before you enrol or claim. A quick chat could ensure your next qualification delivers the best return — professionally and financially.

Cash is Making a Comeback – Is Your Business Ready to Take It?



For years, businesses have been moving away from cash – and for good reason. Digital payments are quick, traceable, and cut down on the risk of theft or counting errors. But that tap-and-go world might soon have to make room again for notes and coins.

The Government has released draft regulations that would require certain retailers to accept cash payments, ensuring Australians can still buy essential goods like groceries and fuel – even when technology fails. The change aims to stop people from being excluded when power, internet, or card systems go down, or when they simply prefer to pay in cash.

Who Will Need to Accept Cash – and Who Won't

The new rules are targeted and, importantly, practical. They'll apply to fuel stations and grocery retailers, including both major supermarket chains and independent operators, but only for in-person transactions under $500. That means you won't have to accept someone paying for a $700 tyre replacement or bulk farm supplies in cash – it's about the everyday essentials.

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If your business (or franchise group) has an annual turnover of less than $10 million, you'll be exempt. That's good news for most small businesses such as family-run grocers, local cafés, and corner stores already managing tight margins and staffing challenges.

The regulations are expected to take effect from 1 January 2026, with a review after three years to see how the system is working in practice.

Why It's Happening

The move comes as part of a broader push to maintain access and fairness in Australia's payment system. The Government and industry groups have recognised that while most Australians are happy to tap their card or phone, around 10–15% still prefer to use cash – particularly older Australians and those in regional or remote areas.

There's also a resilience angle: during bushfires, floods, or power outages, card networks can go offline. In those moments, cash becomes essential.

What This Means for Your Business

For larger retailers, this change will mean dusting off cash-handling policies and reintroducing processes that many have phased out. That may include:

- Re-establishing cash floats and tills.
- Staff training to handle and verify cash.
- More frequent bank deposits and reconciliation procedures.

For small businesses that fall under the $10 million exemption, the key step will be to document your turnover clearly so you can demonstrate that the exemption applies. We can help ensure your records and structures support that.

There may also be commercial upside. Accepting cash could attract a segment of customers who've drifted away as stores went digital – especially in regional areas where cash use remains strong. A small business that promotes "cash welcome" could even gain new loyal customers who value convenience and personal service.

Preparing for the Change

With final regulations expected soon, it's worth starting to plan now. Review your payment policies, assess whether you're likely to be caught by the new rules, and budget for any setup or compliance costs.

If you're exempt, ensure your records are watertight. If not, look for ways to streamline cash handling – for example, by using digital cash counters or smart safes to reduce errors and time spent on reconciliations.

Looking Ahead

Cash isn't going away just yet. This reform is about maintaining choice, resilience, and fairness in how Australians pay – and ensuring businesses are ready when customers want to use it.

If you'd like help assessing how these rules could affect your operations or what the exemption means for your business, get in touch with our team.

Changes to the TPB Code

From 1 July 2025, additional obligations were introduced for registered tax agents, as required by the Tax Practitioner's Board (TPB).

Tax agents now have an obligation to keep existing and prospective clients informed on all relevant matters.

Please refer to the TPB information for client's fact sheet available on our website that details obligations for both tax agents and their clients.

Using PAYG Instalments to Manage Your Tax

Whether you run your own business or earn investment income, planning ahead for your income tax is important to help you keep a healthy cash flow.

PAYG instalments help you do this and this is how it works:

1. You enter the PAYG instalments system. The ATO may enter you automatically, or you can voluntarily enter.
2. You make regular payments (instalments) during the year, usually once every 3 months. The amount you pay is based on your business and investment income.
3. When you lodge your tax return, the PAYG instalments you have paid during the year are offset against your tax, leaving you with little or no tax to pay.

If you receive an activity statement from the ATO, you must complete your activity statement and lodge it with the ATO by the due date.

If you receive an instalment notice and you:

- Pay the amount shown on the notice, you do not need to lodge it – just pay the instalment amount by the due date.
- Want to vary the instalment amount, you need to complete and lodge the instalment notice with the ATO.

If you need assistance navigating the PAYG instalments system, please contact us for guidance tailored to your individual circumstances to ensure you meet your tax obligations accurately.

Market update

PENINSULA Financial Group

The economy came under renewed pressure in November as inflation accelerated. The first full monthly CPI release showed annual inflation rising to 3.8% in October, up from 3.6% the previous month. The Reserve Bank kept rates on hold in November and some economists are warning a rate rise may be on the horizon, possibly before the end of the year.

Despite the uncertainty, consumers may be getting their mojo back. The Westpac–Melbourne Institute Consumer Sentiment Index surged in November to its highest level since February 2022.

Unemployment eased a little to 4.3% in October after hitting a four-year high of 4.5% in September but wage growth remains higher, prompting concern from the RBA over the continued tight labour market.

Equity markets were volatile around the world thanks to uncertainty over the growing AI bubble, rising government debt and the ever-changing US tariff regime. Surging commodity prices halted the slide of the Australian dollar in the last week of the month with gold hitting record highs and iron ore prices holding firm. The Australian dollar hit a two-week high, finishing the month at $0.653.

Thank you for your trust and partnership in 2025. Wishing you and your families a Merry Christmas and a prosperous New Year from all of us at SWON!