



## Winter 2026

As we step into the first month of winter and approach the end of the financial year, attention is turning to the resilience of the economy and households.

May delivered mixed signals for the Australian economy as inflation eased slightly to 4.2% in April from 4.6% in March, although underlying inflation edged higher from 3.3% to 3.4%. The softer-than-expected inflation data reduced expectations of further rate hikes in the near term.

Australian share markets were volatile. The ASX 200 moved within a relatively narrow range through the month, slipping slightly overall despite periods of strength linked to resources and AI-related stocks.

Globally, markets continued to be shaped by Middle East tensions and ongoing inflation concerns. US markets made some big gains with the S&P 500 hitting an all-time high in the final days of May.

Oil prices eased from April highs but remained elevated and volatile with renewed US air attacks in Iran risking high prices still.

Consumer sentiment improved modestly although households remain deeply pessimistic because of high interest rates and cost-of-living pressures. This pessimism is extending to the property market which is showing signs of a broad-based softening.

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## Get prepared for JUNE

# 30

Tax time is just around the corner, so now is the time to get ahead and find out what strategies may be available to you before 30 June.

### Time for a portfolio review

A good first step is to review your investment strategy. With recent market volatility, things may have shifted and your risk tolerance may have changed considerably.

It's also worthwhile checking your capital gains or losses before 30 June, as this allows you to take action where appropriate.

For example, you may consider realising capital losses to offset gains from assets such as shares, property or crypto.

### Super contribution strategies

You should also check your super contributions as early as possible. If you have not reached the Super Guarantee (SG) contributions cap of \$30,000, or \$120,000 for non-concessional contributions, you may be eligible to make additional contributions to your super.

If you plan to contribute before 30 June, check when your employer will make their contributions. The introduction of Payday Super means some employers are contributing earlier, which may affect your contribution caps.

You will also need to find out the cut-off date from your super fund, which is generally 25-26 June.

Speak to us about the various ways you could boost your super before the EOFY.

For SMSF members, make sure that:

- All contributions are received by the fund's bank account by 30 June
- Minimum pension payments are made
- Asset valuations are up to date
- Fund records are current

### Division 296 super tax

It's also important to note that Division 296 tax comes into effect on 1 July 2026 and applies to investment earnings earned during 2026–27 and the following financial years.

For those whose total super balance exceeds \$3 million on 30 June 2027 there will be a 15 per cent additional tax on the proportion of earnings corresponding to the Total Super Balance (TSB) between \$3 million and \$10 million and an additional 25 per cent tax on the proportion of earnings corresponding to TSBs above \$10 million.

### Tax timing strategies

If you have regular deductible expenses, such as investment loan interest or annual costs, it may be useful for some to prepay them before 30 June to claim a deduction for this financial year.

You may also consider the timing of income expected before 30 June. Deferring income until after the end of the financial year may help reduce your tax liability.

Tax rates are also changing for lower income earners. From 1 July 2026, the rate for income between \$18,201 and \$45,000 will reduce from 16 per cent to 15 per cent, with a further reduction to 14 per cent the following year.

### Tax returns done right

While planning ahead for the EOFY is key, it's also important to take the time to understand what the ATO is focusing on when it comes to preparing your tax return post June 30.

This year, the ATO will be focusing on work-related deductions and income that's not declared on tax returns.

If you are claiming work-related expenses, ensure they meet the ATO's three golden rules:

1. The expense must be directly related to earning your income
2. You must not have been reimbursed
3. You must have records to support your claim, such as receipts or a logbook.

If you work from home for all or part of the week, you can use either the actual cost method or the fixed rate method.

### Don't overlook income

The ATO is also paying close attention to undeclared income. This includes:

- Cash payments
- Interest income
- Rental income
- Earnings from crypto assets.

For those with a side hustle, check whether it may be considered a business. All business income, regardless of amount, is assessable and must be declared.

If you intend to claim deductions for business expenses related to your side hustle, ensure they are directly connected to earning that income and are supported by receipts.

If you'd like to talk to us about ways to boost your super before EOFY or questions about your investment strategies, call today to ensure everything is in place before 30 June.

# Downsizing with confidence



Deciding to downsize is a big life step. It is not just about moving to a smaller house. It can be about leaving behind a home full of memories, familiar streets, and routines you have built over many years.

For many, the idea of simplifying life, reducing maintenance, and freeing up finances can be very appealing. But for some, the reality of downsizing does not always match the rosy picture. In fact, one in six people who have downsized in the last five years wish they had not made the move, so it's important to give the move careful consideration to avoid "downsizer regret".<sup>i</sup>

The financial appeal of downsizing has been strengthened by the government's downsizer contribution scheme, which has been developed to encourage older Australians to release equity from larger homes and free up housing supply for younger families. Eligible homeowners aged 55 or older can contribute up to \$300,000 from the sale of their family home into superannuation, or \$600,000 for couples. This can provide a meaningful boost to retirement savings, but the considerations go beyond how the figures stack up.

## The realities of downsizing

### The costs add up

The financial boost from downsizing is often what makes it appealing. Selling a larger home can free up money for retirement, travel, or other plans, and topping up superannuation could provide a tax benefit.

However, you must consider all costs. Moving expenses can add up quickly. Renovations to make a new home suitable, such as improving accessibility, or modernising kitchens and bathrooms, can be expensive.

Finding the "right" place can also be a consideration, as appealing homes for downsizers – single-storey, low-maintenance and close to services – can be scarce and expensive.

### Less space can feel restrictive

Downsizing literally means going smaller which can feel freeing at first. But a small home can feel restrictive if there is not enough space for hobbies, collections, or visiting family. Trading a large garden, spare rooms, or entertainment areas for a lock-up-and-leave lifestyle may reduce maintenance stress, but it can also feel like a loss of freedom.

### Home is where the heart is

Downsizing can sometimes mean a move away from a familiar area. Leaving a family home and community connections can be deeply emotional, and a home in a new neighbourhood can feel isolating. Where you live can matter just as much as the house itself.

### Watch the impulsive purging

Many people experience regret after decluttering too quickly. In the rush to simplify, sentimental objects, practical tools or furniture, may be thrown away or donated, only to be missed later. Taking your time to evaluate what items to keep, or place in storage, can prevent feelings of loss.

### How to avoid downsizing regret

Careful planning can make a huge difference to how you experience downsizing. Here are some strategies to help make the move feel more positive:

**Take your time** – Give yourself time to adjust emotionally, financially, and physically. Explore your options and imagine daily life in a potential home before committing.

**Think about future needs** – Make sure your new home can support the activities you value – whether it's your hobbies or hosting family and friends.

**Budget for hidden costs** – Factor in moving expenses, agent fees, renovations, and strata or service charges.

### Keep treasured items in mind

Don't discard sentimental or useful items too quickly.

**Stay connected** – Consider proximity to family, friends, shops, and services to maintain social connections or, if you are planning a significant change of scenery, think about how you'll develop personal connections in a new location.

Downsizing can be a smart financial decision, especially considering that government incentives may allow contributions to superannuation. However, it's important to remember that these contributions could impact any Age Pension entitlements. We are here to assist you with the financial side of things.

Remember, it's not just a numbers game. Emotional attachment, lifestyle changes, social connections, and practical needs all play a role in whether a move to downsize feels liberating or limiting. Taking time to plan, reflect, and consider how and where you want to live, can help ensure downsizing brings freedom, comfort, and happiness rather than regret.

<sup>i</sup> <https://www.smh.com.au/national/i-had-no-idea-about-some-of-the-issues-the-aussies-finding-the-downsides-to-downsizing-20250501-p5lvod.html>



# Common **SCAMS** to watch out for at EOFY

As the end of the financial year approaches, it's a busy time for preparing your taxes, reviewing super, and getting your finances in order. Unfortunately, it's also a peak period for scammers looking to take advantage of people and businesses who are focused on deadlines and end-of-year financial tasks.

EOFY creates the perfect environment for fraud. With refunds, payment reminders, super contributions, and updated financial documents all top of mind, scammers rely on urgency and distraction to trick people into handing over personal or financial information.

Knowing what to watch for can save you stress, money, and headaches. This guide highlights the most common EOFY scams and offers practical tips to help protect your finances before you act.

## **Fake ATO communications**

A common scam involves messages pretending to be from the Australian Taxation Office. These can arrive as emails, text messages, or phone calls, claiming that a refund is due or that a tax debt must be paid immediately.

Scammers create urgency by threatening penalties, legal action, or freezing accounts. They often ask for payment via unusual methods like gift cards, cryptocurrency, or direct bank transfer. The ATO will never request payment in these ways.

Always verify suspicious communications independently. Do not click links or provide personal information in response to unexpected messages. If in doubt, search online to find the correct contact details.

## **Phishing emails targeting business owners**

EOFY is a particularly high-risk time for businesses. Scammers often send emails that look like they come from payroll providers, accounting software platforms, banks, or even bookkeepers.

These emails may request login credentials, bank information updates, or contain attachments that install malware. Verify any unusual requests by calling the organisation using a trusted phone number. Never rely on the contact details or links provided in the email itself.

Even seemingly minor requests can be part of a larger scheme. A small error in payment details can lead to ongoing losses if scammers are able to redirect multiple invoices over time.

## **Invoice and payment redirection scams**

Businesses finalising accounts are often targeted with fake invoices or intercepted invoices that have altered bank account details.

Because these payments are routine and expected, they can be processed without question. Always double-check any changes to payment details with the supplier before sending funds. A quick verification call can prevent significant financial loss.

It's also wise to keep a consistent process for approving payments, including multiple checks or sign-offs for large amounts, to reduce the risk of falling victim to invoice scams.

## **Superannuation and investment scams**

Scammers take advantage of EOFY financial reviews by promoting fake investment opportunities or superannuation schemes that promise high returns or tax advantages. Some even claim to help access super early to "avoid tax" or "invest better."

Be cautious of unsolicited offers and guaranteed returns. Only consider changes to super or investments through verified and legitimate channels. Check any adviser or company through the official regulatory registers before taking any action.

## **Social media and SMS scams**

Short text messages or social media ads claiming you are eligible for a tax refund are increasingly common. These often contain links to fake websites that collect personal information. Scammers may use official-looking logos, branding, and URLs to make the message appear legitimate.

Do not click on links from unexpected messages. Verify the legitimacy of any refund or offer through official websites and use secure channels for submitting sensitive information.

## **Staying safe**

At EOFY, it's important to slow down. Scammers rely on urgency. Messages that pressure you to take immediate action or threaten consequences are red flags. Verify first, act second.

Keep devices and software up to date, use strong and unique passwords, and enable two-factor authentication where possible. Keep an eye on your accounts for unusual activity and regularly review payment processes to make sure safeguards are in place.

EOFY should be a time to tidy up finances and plan for the year ahead. Protecting yourself from scams ensures that money stays where it belongs and that EOFY is a time for financial clarity, not stress.

For any questions or concerns about suspicious communications, talk to us. A quick check now can prevent problems later and give peace of mind while managing your EOFY finances.