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Strategies
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your business

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Understanding Tenants in Common: What It Means & The Key Issues to Be Aware Of

When two or more people purchase a property together, one of the ways they can hold ownership is as tenants in common. Unlike joint tenants, where ownership passes automatically to the surviving owner on death, tenants in common each hold a defined share of the property.

These shares don’t have to be equal – for example, one owner might hold 60% while another holds 40%.

This arrangement can be useful in situations such as friends buying property together, investment partnerships,

or blended families wanting to structure ownership fairly. However, it’s important to understand the potential challenges that can arise.

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WHAT HAPPENS IF A TENANT IN COMMON PASSES AWAY?

If one of the co-owners dies, their share of the property becomes part of their estate. This means it is distributed according to their will (or the rules of intestacy if there is no will). For example:

- If a parent co-owns a property with an adult child as tenants in common and then passes away, their share may pass to their spouse, other children, or another beneficiary – not automatically to the co-owner.
- This can result in new co-owners who may not have the same intentions for the property.

Without clear planning, disputes can arise – particularly if beneficiaries would prefer to sell while the surviving owner wishes to hold onto the property.



WHAT IF ONE TENANT IN COMMON WANTS TO SELL?

Each tenant in common has the right to sell or transfer their share, even without the agreement of the other co-owners. While this can provide flexibility, it can also create difficulties:

- A co-owner could end up with a stranger as their new co-owner if the share is sold on the open market.
- In some cases, if the owners cannot agree on selling the entire property, a court order may be sought to force a sale.



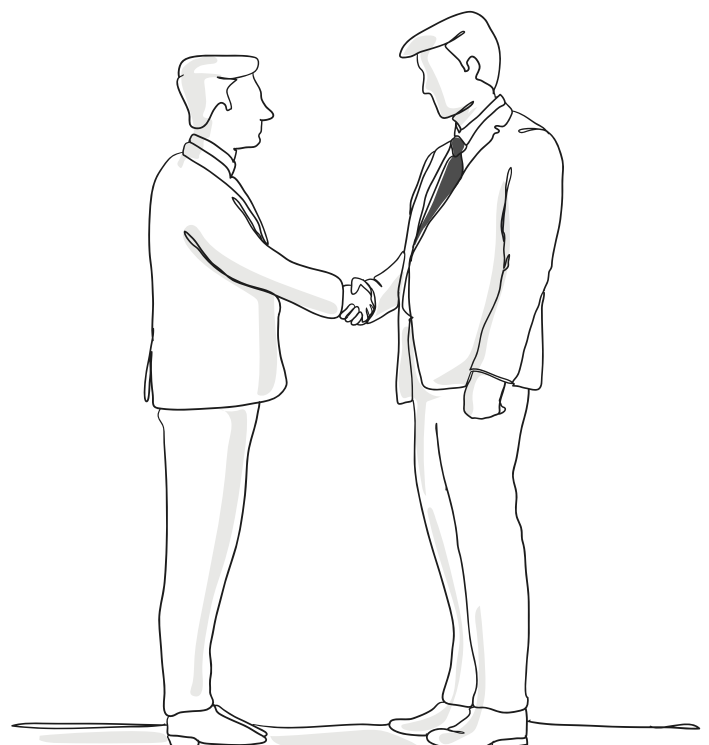
HOW TO REDUCE RISKS

To avoid these complications, it's wise to have:

- A co-ownership agreement that sets out how decisions will be made, what happens if someone wants to sell, and how expenses are shared.
- Estate planning to ensure a smooth transfer of ownership and reduce the risk of disputes.

Being tenants in common can be a practical ownership structure, but it comes with its own set of responsibilities and potential challenges.

Seeking advice before entering into such an arrangement – and having the right agreements and estate planning in place – can save stress and conflict down the track.



The Risks of Illegal Early Access to Super

Superannuation is designed to provide financial security in retirement. For most Australians, it's one of the most significant assets they will ever hold. Because of this, it can be tempting to dip into super early, especially when money is tight.

However, accessing super outside of strict legal conditions is not only risky - it can have long-term financial and legal consequences.

WHEN EARLY ACCESS IS ILLEGAL

The Australian Taxation Office (ATO) only permits early access to super in very limited circumstances, such as severe financial hardship or specific compassionate grounds. Outside of these conditions, withdrawing funds is considered illegal.

Unfortunately, promoters sometimes target individuals with schemes that claim to help them unlock super early. These are often presented as investment opportunities or “loopholes,” but in reality, they can leave you with substantial tax bills and penalties.



FINANCIAL AND LEGAL CONSEQUENCES

If super is withdrawn illegally, the amount taken out is treated as assessable income and taxed at the highest marginal tax rate. This can turn what seems like quick cash into a significant financial burden.

Additionally, the ATO may impose penalties and interest, further increasing the overall cost.

You may also risk losing your retirement savings altogether. Promoters who push these schemes often charge high fees or funnel money into fraudulent investments, leaving very little - if anything - left in the account.

LONG-TERM IMPACT

Beyond the immediate penalties, early access can damage future retirement security. Even a small withdrawal today reduces the compounding growth that super generates over time, meaning less wealth in retirement when it's most needed.



PROTECTING YOURSELF

The best way to avoid these risks is to be cautious of anyone offering early access to super.

Always check with a trusted accountant or adviser before making any decisions. If you are experiencing financial hardship, there may be legitimate solutions available without jeopardising your future.

Illegal access to super may seem like a quick fix, but it can have devastating consequences. An accountant can provide the right advice to navigate financial challenges safely - helping clients protect both their super and their future. Find out how we might be able to assist you by booking a chat today.



Why Your Super Fund Might Merge – And What It Means for You

If you've ever noticed your super fund announcing a merger, you might wonder why these changes happen and what they mean for your retirement savings. The good news is, most mergers are designed with members like you in mind.

One of the biggest reasons funds merge is to reduce costs. When two funds combine, they can spread their running expenses across a larger pool of members. That often translates into lower fees for you.

For example, recent mergers have resulted in administration fees dropping by as much as 25%. Over time, those savings can make a real difference to the size of your retirement nest egg.

↓ **25%**

Another driver is **regulation and performance standards**. Super funds are under increasing pressure from the regulator (APRA) to perform well. If a fund isn't meeting benchmarks, it may consider joining forces with a stronger fund so members don't miss out.

By merging, funds can pool their resources, strengthen their investment options, and provide more competitive returns for your future.

Mergers can also mean **better services**. A larger, combined fund is often able to offer more investment choices, stronger insurance benefits, and improved online tools. In short, you may gain access to services that weren't available with your old fund.

Of course, change can sometimes feel unsettling. It's worth keeping an eye on how the merger is communicated - things like whether your insurance cover changes, or if your investment option has been altered. Typically, funds aim to streamline the process and keep members well-informed.

At the end of the day, super fund mergers aim to create stronger, more sustainable funds that aim to deliver better outcomes for you in retirement. If you are unsure about your current super fund's performance, speak with a licensed professional.



What is the “Widow’s Tax”?

Recently, some news outlets have referred to a proposed change in Australia’s superannuation system as the “widows tax.” While it’s not an official tax, the term has been used to describe how new rules may affect certain retirees and their spouses.

Under current proposals, from 1 July 2025, investment earnings on superannuation balances above \$3 million will be taxed at 30% instead of the usual 15%. This change is expected to impact a relatively small number of individuals - around 80,000 people across Australia.

The concern for widows and widowers arises because some pensions, such as judicial or public service pensions, are included when calculating whether someone’s superannuation balance exceeds the \$3 million threshold. In cases where a spouse passes away, the surviving partner may find themselves with a higher balance due to the pension transfer, potentially pushing them into a new tax bracket.

An important exception applies under Division 296: Judges and certain senior public servants are exempt, as the law prevents the government from applying this extra tax to them (a position confirmed by the High Court).

However, when they pass away, the money is no longer going to the judge or public servant themselves. At that point, the government is able to impose the tax on the recipient - which may be their spouse, in many cases.

This situation has led some commentators to label it the “widows’ tax” - not because it targets widows explicitly, but because of how the rules may apply in practice.

For most Australians, these changes won’t apply, as balances below \$3 million will continue to be taxed at the standard 15%.

For those who may be affected, it highlights the importance of reviewing estate planning, superannuation strategies, and the structure of pensions or death benefits.

While the “widow’s tax” isn’t a formal law, it’s a reminder that superannuation can have **complex tax outcomes**, especially when large balances or inheritances are involved.

As with all superannuation matters, professional advice is key. Understanding how the rules apply to your specific circumstances can help ensure you make informed decisions for your retirement and your family’s future.

If you’re concerned about how these changes might affect you or your family, it’s worth seeking tailored advice before they take effect.



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What Small Business Owners Should Watch Out For When It Comes To The Economy

Prices, rates and demand move around - your job is to stay nimble. Here's a simple checklist to help your business adapt.

Economic conditions influence small businesses in practical ways: customers spend more when confidence is high, costs rise when inflation bites, and borrowing gets harder when interest rates climb.

You don't need to forecast the future to run a resilient business, but you do need a rhythm for monitoring and adjusting.

Start with **cash flow**. Update your forecast monthly, not yearly, so you can see pressure points early. Build a small buffer in a dedicated account and tighten debtor follow-up so cash actually lands in your bank.

Review major expenses once or twice a year - insurance, software, energy, freight - and renegotiate where it makes sense.

Pricing is another lever. If costs have crept up, a small, clearly explained price adjustment may be necessary. Consider bundling or value-based pricing to focus the conversation on outcomes rather than hourly rates.

On the cost side, **map your top five inputs and have a backup supplier** for any single points of failure.

People and productivity matter in every cycle. Cross-train staff, document key processes, and make it easy to measure work in progress so jobs don't stall.

Keep **communication regular with your accountant** - tax planning, asset write-off timing and funding choices can all improve resilience.

Finally, **revisit your goals quarterly**. Decide which products or services deserve more attention and which can be simplified or paused.

A light but consistent planning cadence helps you steer through headwinds and capture opportunities when demand strengthens.

Practical next steps: map out your goals on one page, list three risks and how you'll manage them, and book a short check-in with your accountant to sense-check the plan. Keep records, review annually, and adjust when life or the economy changes.

This simple rhythm helps you stay on track without getting overwhelmed.

A reminder that all information in the above article is general.

Get personal advice from your accountant before acting - book a consult with one of our team to find out how we might be able to help.



Balancing Growth & Security In Retirement

The challenge in retirement is straightforward to say but harder to execute: pay yourself reliably while keeping savings growing enough to last.

Retirement income works best when it blends certainty for today with growth for tomorrow. A simple framework can do both.

A common approach is to combine flexible, market-linked income (like an account-based pension) with more secure products (such as term or lifetime annuities) to cover essential expenses.



THINK IN LAYERS

Cover your must-have costs — housing, food, utilities, healthcare — with the most dependable income sources you can.

Fund the nice-to-have items — travel, gifts, hobbies — from the more flexible, growth-oriented pool. This mindset reduces anxiety when markets wobble.

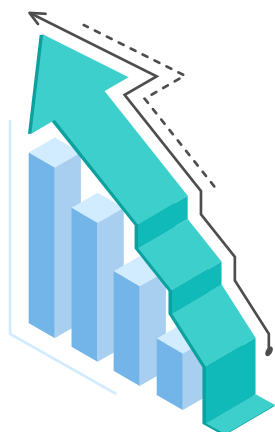
Manage two key risks: sequencing risk (poor returns early in retirement) and longevity risk (living longer than expected).

Keeping a cash reserve for a year or two of spending can help you avoid selling growth assets after a downturn, and moderate exposure to growth supports purchasing power over decades.

Review your plan annually. Spending usually changes as you move from active early years to a steadier pace later on.

Check estate-planning documents, super pension settings and beneficiary nominations while you're at it.

With clear priorities and a bit of structure, retirement income planning becomes less about guesswork and more about calmly funding the life you want.



Taking action doesn't need to be complicated. Start small: map out your goals on one page, list three risks and how you'll manage them, and book a short check-in with your accountant to sense-check the plan.

From there, commit to a rhythm—keep good records, review your progress each year, and adjust as life or the economy shifts. By breaking it down into simple, practical steps, you'll stay in control without feeling overwhelmed.

Always seek out personalised advice from a licensed advisor before making a decision and taking action.



Fixed Versus Variable: What Rate Works For Your Home Loan?

Certainty or flexibility? One of the biggest decisions for borrowers is whether to fix the home-loan rate, stay variable, or split the loan between the two.

Fixed rates provide repayment certainty for a set term, which can help with budgeting and sleep-at-night factor. The trade-offs are potential break costs and, often, less access to features like full offset or unlimited extra repayments.

Variable rates typically offer more flexibility. You can usually make extra repayments freely, use an offset account to reduce interest, and refinance without break fees. But repayments can rise with the market, so it's smart to build a buffer and stress-test your budget.

A split loan combines stability and flexibility — you might fix a portion to lock in certainty while leaving the rest variable for offset and extra repayments.

The right mix depends on income stability, cash-flow needs, and your view on rates (with a healthy dose of humility — rate forecasts are often wrong).

Look beyond the headline rate. Compare fees, offset quality, redraw rules and customer service. If you expect to renovate, move or start a business, choose features that won't box you in.

Finally, set up an automatic repayment slightly above the minimum. That simple habit shortens the loan term and provides a buffer if rates rise.



YOUR NEXT STEPS:

Start by mapping out your goals on a single page, then identify three key risks and note how you'll manage them. Book a brief check-in with your accountant to review and refine your plan.

From there, focus on the rhythm—keep clear records, review annually, and adjust as life or the economy changes. Sticking to this simple approach helps you stay on track without feeling overwhelmed.

Remember, your accountant can be more than just a tax adviser—they can also be a sounding board to help you refine your strategies, highlight risks you may not have considered, and keep you accountable to your financial goals.

