



HERITAGE
PRIVATE WEALTH



Autumn 2026 Newsletter

March has arrived, and with that the weather starts to cool; this brings a fresh chapter and a chance to set your pace for the months ahead.

February delivered mixed signals for the Australian economy.

Labour market conditions were steady. The unemployment rate held at 4.1%, with 18,000 more people employed in January, driven by a rise in full-time jobs and partly offset by a fall in part-time roles.

Wage growth continued to edge higher, up 0.8% in the December quarter and 3.4% over the year, while household spending softened.

Inflation was slightly higher than expected, with CPI remaining at 3.8%, and trimmed inflation (the RBA's measure of underlying inflation) increasing to 3.4%, up from 3.3%.

Reporting season added its usual volatility to the share market and the ASX hit several record highs towards the end of the month.

The Westpac–Melbourne Institute Consumer Sentiment Index fell further by 2.6% to 90.5 in February, impacted by February's cash rate increase.

The Australian dollar strengthened, largely due to global risk sentiment, hitting a three-year high of USD 0.71 by month's end.

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The EOFY jobs that might matter more than you think

As the end of the financial year (EOFY) approaches, investors often focus on topping up super, maximising deductions, prepaying interest or reviewing portfolios. While these are all valuable activities, there are some less obvious tasks that can have a big impact on your tax position, wealth preservation and long-term planning outcomes.

Here are five areas that investors can often miss in EOFY planning.

1. Capital gains in volatile markets

Investment markets have been volatile in recent years, with rapid movements in equities, property and fixed income. When investors buy and sell during choppy market periods, capital gains tax (CGT) considerations become even more important.ⁱ

It is the ideal time to assess whether:

You should realise gains this year or defer them – The decision can hinge on:

- Expected income this year vs next year
- Whether you qualify for the 50 per cent CGT discount
- Available capital losses
- Investment timeframes and risk appetite

You have unused capital losses – Losses can be used to offset realised gains, but they cannot be used against ordinary income. Some investors may find that realising strategic gains before 30 June allows them to “unlock” unused losses that have been sitting dormant.

Be aware of “wash sale” rules. Some investors plan to sell an asset to realise a loss and then quickly buy it back. The ATO calls this a wash sale and may deny the loss.ⁱⁱ

2. Superannuation recontribution strategies

A super recontribution strategy is sometimes overlooked because it requires coordination between pension payments, contributions and tax components. But, when used appropriately, it may significantly reduce future tax for beneficiaries and increase flexibility in estate planning.ⁱⁱⁱ

This strategy usually involves withdrawing a portion of your super (usually from the tax free and taxable components proportionally), then recontributing these funds back into super as a non-concessional contribution (if you're eligible).

The result is that more of your balance becomes tax free, which can reduce or eliminate the “death benefits tax” that applies when super passes to non-dependent beneficiaries, such as adult-children.^{iv}

3. Bringing forward deductions and deferring income

While prepaying expenses and deferring income is a well-known EOFY strategy, it may not be successful for everyone, so check carefully that it's useful for you.

Bringing forward deductions – You may be able to prepay, interest on investment loans, income protection premiums, ongoing advisory fees, and professional subscriptions. But if you're approaching income thresholds (such as Medicare Levy Surcharge minimums, private health insurance rebates or HECS/HELP repayment bands) it's important to calculate whether prepayments will actually deliver you a benefit.

Deferring income – Small businesses using cash accounting may be able to defer invoicing until July and investors might choose to delay receiving distributions or bonuses. But don't forget that deferring income may affect borrowing capacity or government payments.

4. Managing Division 7A loans

Division 7A can catch business owners off guard at EOFY. These rules apply when a private company lends money,

pays expenses or provides assets to shareholders or their associates. If not handled correctly, the ATO may treat the payment as an unfranked dividend, resulting in significant unexpected tax.^v

To stay on top of your Division 7A obligations:

- Confirm all loans are documented
- Check minimum yearly repayments
- Consider whether to repay, refinance or restructure
- Don't forget about company-paid personal expenses

A well-timed review can prevent unintended tax consequences and keep your structure compliant.

5. Reviewing your records

Another often missed EOFY task is checking that your records and substantiation are complete before preparing your tax return.

The ATO is increasing its use of data matching programs, so having accurate documentation is essential. This includes keeping receipts for deductible expenses and retaining statements for managed funds and other investments.

EOFY planning is about much more than topping up super or gathering receipts. Hidden traps like CGT and Division 7A timing can create unnecessary tax if ignored, while proactive strategies such as recontributions can deliver long-term estate planning benefits.

By taking a structured approach, you can ensure every part of your financial picture is working together, and no opportunity is missed. We're here to help. Please give us a call.

i <https://www.ato.gov.au/individuals-and-families/investments-and-assets/capital-gains-tax>

ii <https://www.ato.gov.au/media-centre/wash-sales-the-ato-is-cleaning-up-dirty-laundry>

iii <https://www.superguide.com.au/super-boosters/super-re-contribution-strategy>

iv <https://www.ato.gov.au/tax-and-super-professionals/superannuation-professionals/apra-regulated-funds/paying-benefits/paying-superannuation-death-benefits>

v <https://www.ato.gov.au/businesses-and-organisations/corporate-tax-measures-and-assurance/private-company-benefits-division-7a-dividends/in-detail/division-7a-loans>

A row of white paper cutouts of human figures holding hands, set against a warm, golden background. The figures are arranged in a line, with their arms extended to connect to the next figure. The background has a soft, blurred texture, possibly representing a field or a sunset.

Ways to prevent family trust disputes

Most families don't expect disputes to arise within their trust, especially when its purpose is to protect wealth and support loved ones. But misunderstandings about control, rights or responsibilities can quickly create friction.

A little upfront planning can help preserve relationships as well as assets.

When roles, expectations and powers are unclear, disputes can arise and often at the worst possible time, such as after the death of a family member.

Why governance matters

A trust deed sets out the legal framework, but it does not address family expectations, values or the "rules of engagement" around control, communication and decision-making. That's where a trust charter or family constitution can be invaluable.

A trust charter is a non-binding but strategically important document that outlines:

- the family's vision and values
- agreed principles for managing wealth
- expectations of trustees, appointors and beneficiaries
- communication protocols
- dispute resolution processes.

For more complex families, such as those with multiple branches, blended structures or significant operating businesses, these documents can prevent misunderstandings and provide clarity across multiple generations.

For example, disputes often arise because beneficiaries don't understand the limits of their rights or the powers of trustees. Also, families often avoid talking about who will control the trust next.

In the longer term, a charter provides continuity as family members age, or retire, by providing younger family members with guidance about their responsibilities.

Trustee succession planning

A number of recent court cases have shown how the absence of agreed rules and communication channels can increase conflict, particularly when it comes to succession.

A trust's long-term stability depends heavily on what happens when the original trustee, appointor or guardian dies, becomes incapacitated, or steps aside. Many families assume the deed will automatically produce a smooth transition. Often, it doesn't.

The Cardaci dispute, an eight-year legal battle ending with a High Court decision in 2024, shows how messy trust control can become without forward planning. The case involved family members disputing the administration, decision-making powers and trustee conduct in a long running family business. The litigation demonstrates how disputes about control and succession can escalate unless families regularly review their trust structures and governance frameworks.ⁱ

Preventing disputes

Don't be tempted to "set and forget" a trust. Keeping on top of new needs and expectations as well as changing family structures may save time and money later on.

1. Review the trust deed regularly

Trusts established decades ago often contain outdated provisions and restrictive definitions of beneficiaries. Major life events, such as marriages, divorces, deaths, business restructures, should trigger a deed review.

2. Create or update a trust charter

A charter can address:

- succession intentions for trustee and appointor roles
- the philosophy behind distributions
- how beneficiaries should communicate concerns

- expectations regarding involvement in the family business
- protocols for conflict resolution.

It means that all beneficiaries are "on the same page" and it reduces emotional decision-making.

3. Clarify trustee and appointor succession

Succession for these roles should be explicitly documented. Consider:

- who should take over, and whether they have the skills
- whether multiple appointors or trustees should act jointly
- how disputes between co-appointors will be handled
- what happens if successors divorce, die, or become incapacitated.

4. Prevent power imbalances

Many disputes are triggered when one family member gains disproportionate control. Solutions include:

- using corporate trustees with independent directors
- appointor committees rather than a single appointor
- including "fit and proper person" requirements for decision-makers
- requiring successor training or external advice.

5. Document decision-making carefully

Courts expect trustees to act impartially and for proper purposes. Keeping clear records of decisions, especially when it comes to distributions, investments and amendments, can reduce the likelihood of misconduct allegations.

If you'd like support reviewing your trust governance or establishing a family charter, our team can guide you through the process.

ⁱ <https://www.hsfkramer.com/notes/disputesaustralia/2025-posts/key-lessons-from-high-court-trust-litigation>



Warren Buffett: timeless lessons from a lifetime of investing

Warren Buffett has never looked much like a financial celebrity. He lives in the same house he bought in Omaha in 1958, prefers simple food, and has built one of the greatest investment records in history using his long-term value investing strategy.

Now stepping down at 95 years' old from his role as CEO on the board of Berkshire Hathaway, one of America's foremost holding companies, Buffett leaves behind a legacy that has earned him the enduring title of "the Oracle of Omaha."

His story offers valuable lessons for anyone navigating markets, especially during times of uncertainty.

Time, patience, and the ability to change your mind

Perhaps Buffett's greatest advantage was not a secret strategy or a rigid set of rules. It was time, combined with good judgment. He began investing as a teenager and stayed invested for more than seven decades. The power of compounding did much of the heavy lifting, but only because he stayed the course long enough to let it work.

As Buffett famously put it:

"Someone's sitting in the shade today because someone planted a tree a long time ago."

That long-term mindset helped him ignore short-term noise, particularly during market downturns. When markets fell, Buffett did not panic. He looked for opportunity.

"Be fearful when others are greedy, and greedy when others are fearful."

But patience did not mean stubbornness. One of the most misunderstood aspects of Buffett's success is the belief that he simply bought and held forever. In reality, he sold. He adapted. He exited investments when the facts changed.

He acknowledged mistakes, sometimes very publicly, and moved on. Over time, entire sectors he once avoided were embraced, while others he once favoured were left behind.

"When the facts change, I change my mind. What do you do, sir?"

His real edge was not blind adherence to a philosophy, but the ability to apply principles flexibly. He knew when to stay invested, when to add, and when to walk away. That combination, long-term conviction paired with the willingness to change course, is far harder than following any checklist and far rarer in practice.

Staying calm when markets are down

Buffett's calm during market stress has become legendary. He understood that volatility is not a flaw in markets. It is a feature of them. Declines were not signals to abandon investing altogether. They were moments that tested discipline and perspective and rewarded those able to separate temporary discomfort from permanent loss.

As Buffett succinctly observed:

"The stock market is a device for transferring money from the impatient to the patient."

Importantly, his focus remained on underlying businesses and long-term outcomes, not daily price movements. That emotional discipline allowed him to act rationally when others could not, particularly during periods of widespread pessimism.

Investing in what you understand

Another cornerstone of Buffett's approach was simplicity. He avoided businesses he could not understand and stayed within his "circle of competence."

"Never invest in a business you cannot understand."

This discipline kept him out of many speculative booms and fashionable trends. He was not trying to predict the next big thing. He was trying to make sensible decisions repeatedly over long periods of time, accepting that avoiding major mistakes can matter just as much as finding great opportunities.

A crucial caveat: context matters

While Buffett's principles are powerful, his success is sometimes oversimplified. He invested with extraordinary scale, deep access, influence, and capital. He could survive mistakes that would permanently damage the average investor, negotiate unique deals, and wait far longer for outcomes to play out.

This means that while his thinking is broadly applicable – patience, discipline, and flexibility – his exact methods are not always transferable. Blindly copying concentrated bets or individual stock picks without those advantages can introduce risks that do not show up in hindsight success stories.

The real legacy

Warren Buffett did not succeed because he followed rules rigidly. He succeeded because he understood them well enough to know when to bend them, and when to abandon them entirely.

His legacy is not a list of stocks or a fixed formula. It is a reminder that successful investing is as much about judgment, adaptability, and emotional control as it is about time horizons or valuation metrics.

In that sense, Buffett's greatest lesson is not "do what I did," but "think carefully, stay patient, and remain willing to change when the world changes."