



The future of super is already here

Beyond super: navigating the next phase
of tax and wealth reforms

The information in this presentation is based on Federal Budget 2026-27 measures announced on 12 May 2026 and the Federal Budget 2026-27 fact sheets issued. The announcements may be subject to change and final legislation enacted.

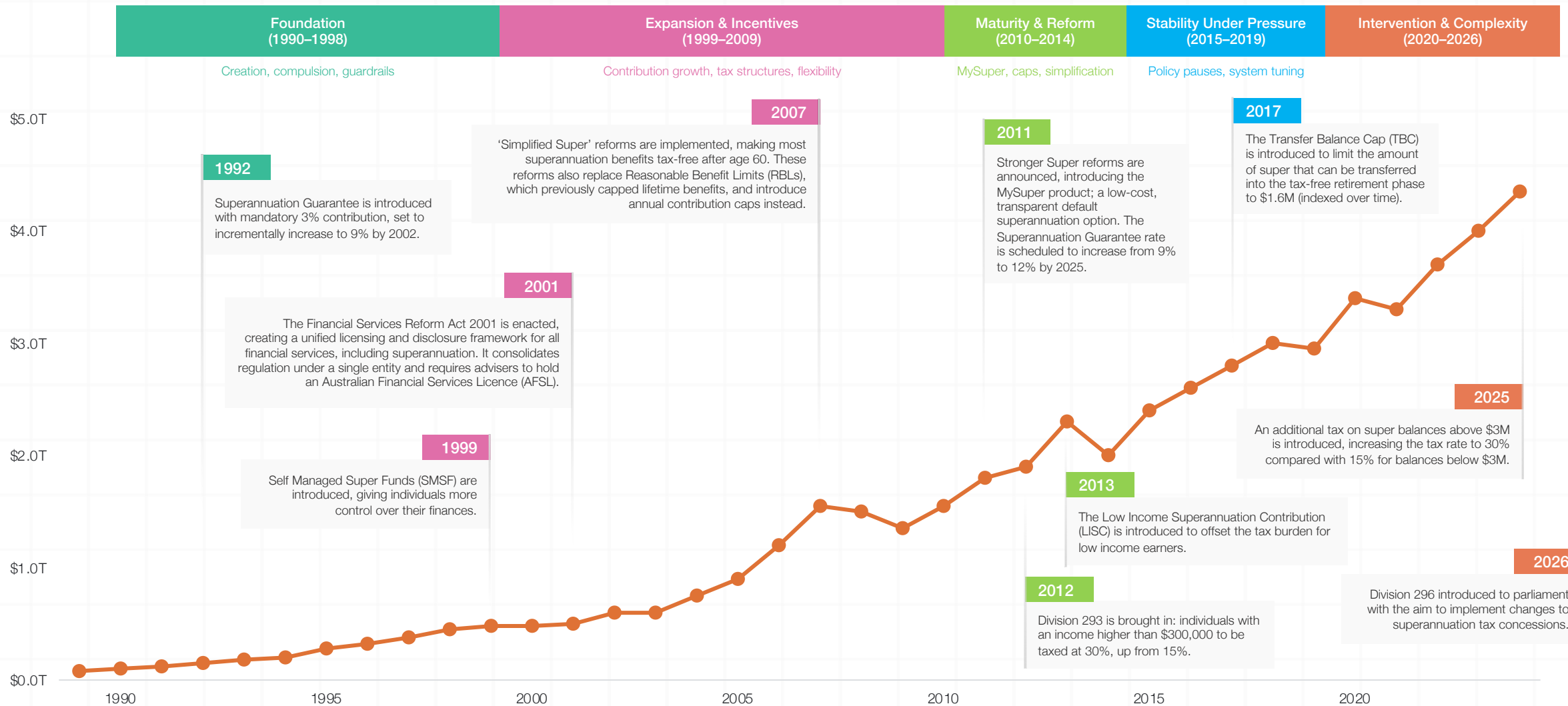
Outthinking today.





Superannuation in Australia: A timeline

Australians have seen 85+ policy changes to superannuation since inception



Source: CoreData, November 2025

Division 296

The impact is only just beginning...

Today...

77,400

Balances above \$3m and under \$10m

5,700

Balances above \$10m

Many more to come...

Investors with balances between \$2m and \$3m today may soon find themselves above the Division 296 \$3m threshold.¹

For advisers, the question is therefore no longer

“Who is impacted today?”

but

“Which clients could be impacted tomorrow?”

Based on proposed Division 296 version as set out in Treasury, Impact Analysis, Better Targeted Superannuation Concessions 2023

1. Assuming balances are indexed to the consumer price index.



Indexation in practice at 3% CPI

\$3m threshold

Year	Super balance (7% p.a. after tax return growth)	CPI	Indexed
1	\$ 2,500,000	\$3,000,000	\$3,000,000
2	\$ 2,675,000	\$3,090,000	\$3,000,000
3	\$ 2,862,250	\$3,182,700	\$3,150,000
4	\$ 3,062,608	\$3,278,181	\$3,150,000
5	\$ 3,276,990	\$3,376,526	\$3,300,000
6	\$ 3,506,379	\$3,477,822	\$3,450,000
7	\$ 3,751,826	\$3,582,157	\$3,450,000
8	\$ 4,014,454	\$3,689,622	\$3,600,000
9	\$ 4,295,465	\$3,800,310	\$3,750,000
10	\$ 4,596,148	\$3,914,320	\$3,900,000

\$10m threshold

Year	Super balance (7% p.a. after tax return growth)	CPI	Indexed
1	\$ 9,000,000	\$10,000,000	\$10,000,000
2	\$ 9,630,000	\$10,300,000	\$10,000,000
3	\$ 10,304,100	\$10,609,000	\$10,500,000
4	\$ 11,025,387	\$10,927,270	\$10,500,000
5	\$ 11,797,164	\$11,255,088	\$11,000,000
6	\$ 12,622,966	\$11,592,741	\$11,500,000
7	\$ 13,506,573	\$11,940,523	\$11,500,000
8	\$ 14,452,033	\$12,298,739	\$12,000,000
9	\$ 15,463,676	\$12,667,701	\$12,500,000
10	\$ 16,546,133	\$13,047,732	\$13,000,000



Division 296

New super tax for HNW investors

Tax

Timing

How it will work



But there is more...

Other considerations...

Tax on death

Grandfathering
unrealised gains

Impact for SMSF trustees



An illustration of an open doorway on the left side of the page. The doorway is dark grey, and the light from the other side creates a bright orange glow that fills the opening and casts a long, orange shadow on the floor. The background is a dark grey grid.

The next chapter...



30%

Tax at 30¢ in the dollar is the new normal

The new tax reality

Structural diversification

The alternatives and considerations post Budget 2026

Superannuation

- Accumulation earnings taxed at 15%
- 0% tax up to Transfer Balance Cap
- Preservation

Trust

- Flow through structure
- Income splitting

Company

- Company tax rate of 30% applies
- A tax deferral strategy

Personal

- Earnings taxed at marginal rates
- Family home can be CGT exempt

Investment bonds



Structural diversification

The alternatives and considerations post Budget 2026

Superannuation considerations

- Division 296 & Div 293
- Superannuation death tax (15-30%)
- Caps on contributions
- Ongoing policy risk

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- Minimum 30% taxation on trust income
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- Min 30% on CGT for beneficiaries

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- Top-up tax on future dividends

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Personal considerations

- Min 30% CGT including pre-1985
- Indexed cost base instead of 50%
- Neg gearing on new builds only

Investment bonds



**Legislative
stability**





Current **uncertainty**...

Tax-efficient investment opportunities are narrowing.

Capital gains tax

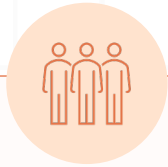
Discretionary Trust

Superannuation





The new taxation of trusts



**What or who
will be impacted**



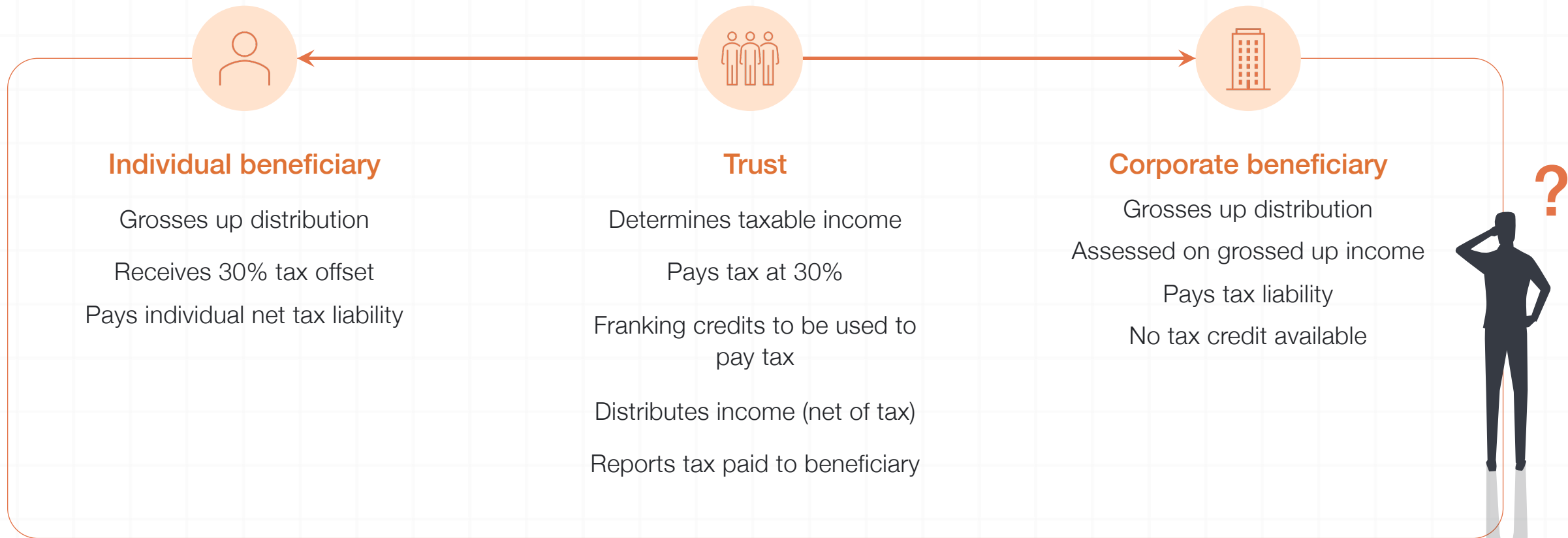
**What will be
the impact**



**Things to
consider**

Taxation of trusts

how will it work?



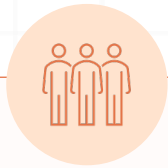
The new taxation of trusts



How investment bonds compare

- Tax paid accumulation solution
- Taxed internally at up to 30%
- No distribution complexity – no corporate beneficiary needed to hold earnings and manage tax

Capital gains tax indexation **of cost base**



Who
will be impacted



What
will be the impact



Things to
consider

Capital gains tax indexation **of cost base**



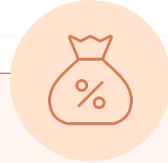
How investment bonds compare

- No personal CGT – can be transferred with no CGT event
- No additional tax on withdrawals after 10 year tax period (assuming 10 year period not reset)
- Creditor protection

Other tax considerations



Negative gearing



**Super death tax and
Division 296 tax**



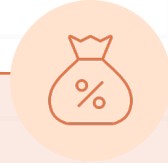
Income tax cuts



How **investment bonds** can help



Negative gearing



**Super death tax and
Division 296 tax**



Income tax cuts

Investment bonds

Built to provide certainty in an uncertain world



Predictable tax rules



Tax-effective and tax-paid structure



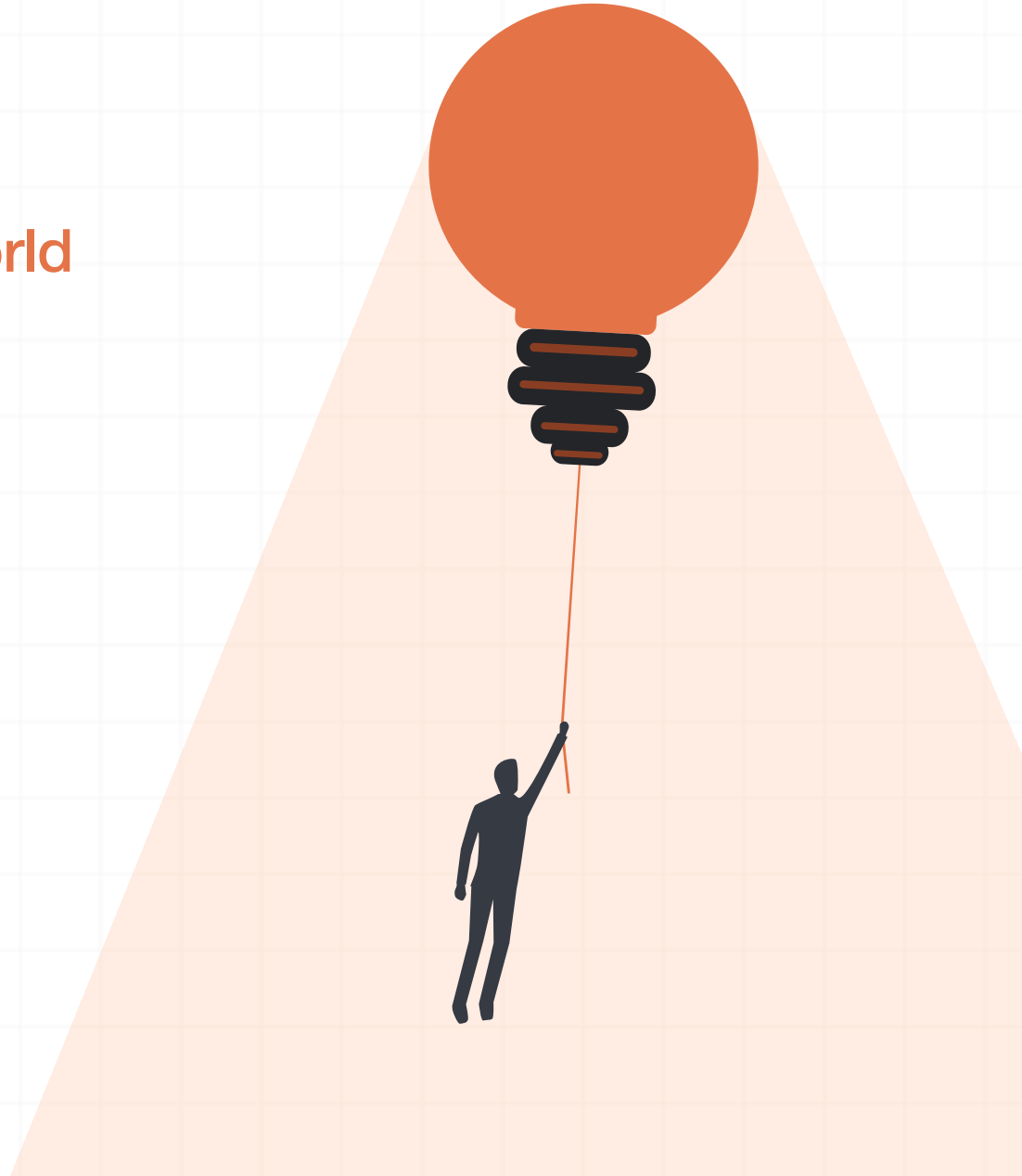
Estate planning flexibility



Wide range of investment choice across all major asset classes



Access to internal gearing and direct property strategies



9 key features of investment bonds

Life Insurance and Tax Act

1.

Maximum tax rate of 30%

Tax Optimised generally ranges between 10% - 15%¹

2.

No distributions and access to funds at anytime

3.

Tax paid - no personal tax after no 10 year reset - tax advantages within 10 years

4.

125% advantage

5.

Portability and tax-free transfers

6.

No personal capital gains tax on investment switching

7.

No tax file number required

8.

Creditor protection²

9.

Can be appropriately structured as a **non-estate asset**

1. Indicative effective average tax rates representing the estimated average annual tax as a percentage of earnings for each 12-month period over a future period of 15 years. Actual tax amounts payable are not guaranteed and may vary from year to year based on, amongst other things, the earnings of an investment option.

2. Creditor protection applies where the investment bond is appropriately structured and the client's intention is not to defeat creditors.

5 key uses of investment bonds

Investment bonds are designed to provide **tax-effective investment solutions** to help secure a financial future across all generations.



1.



Alternative to super

Tax-effective investing with estate planning certainty

2.



Estate planning

Be in control of transferring wealth

3.



Trusts

Reducing distributable income within trusts as accumulation vehicle

4.



Complementing super

Tax-effective structure to accumulate wealth alongside super

5.



Saving for a child

Meeting the rising costs of future generations



Case study

The family trust dilemma



Meet Travis and Lisa

Age	Travis (53) and Lisa (52)
Situation	Travis is a business owner Lisa is full time mother
Investments	\$5.6m in a discretionary (family) trust \$4.2m in superannuation
Family	Two adult children
Situation	Using a family trust to hold multiple assets and distribute income





Travis and Lisa's concerns

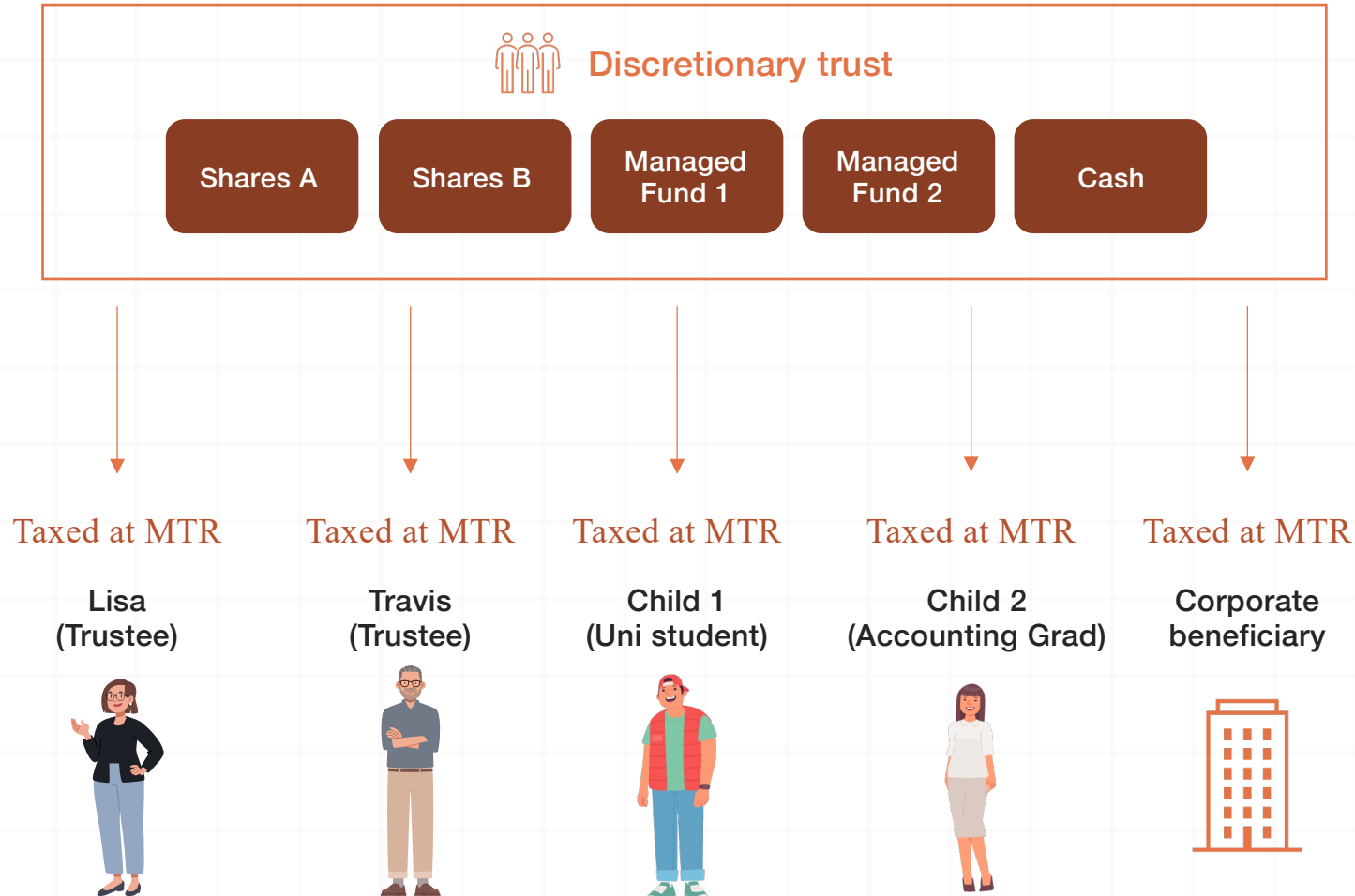
- Concerned about the distributions in the trust being taxed at a minimum of 30%
- Want to maintain flexibility and family control
- Want certainty around intergenerational wealth transfer



Travis and Lisa look at 2 options...

1. Maintain current trust structure
2. Sell trust assets and establish investment bonds

Travis & Lisa's current structure based on current rules...



Have been used for **income streaming**

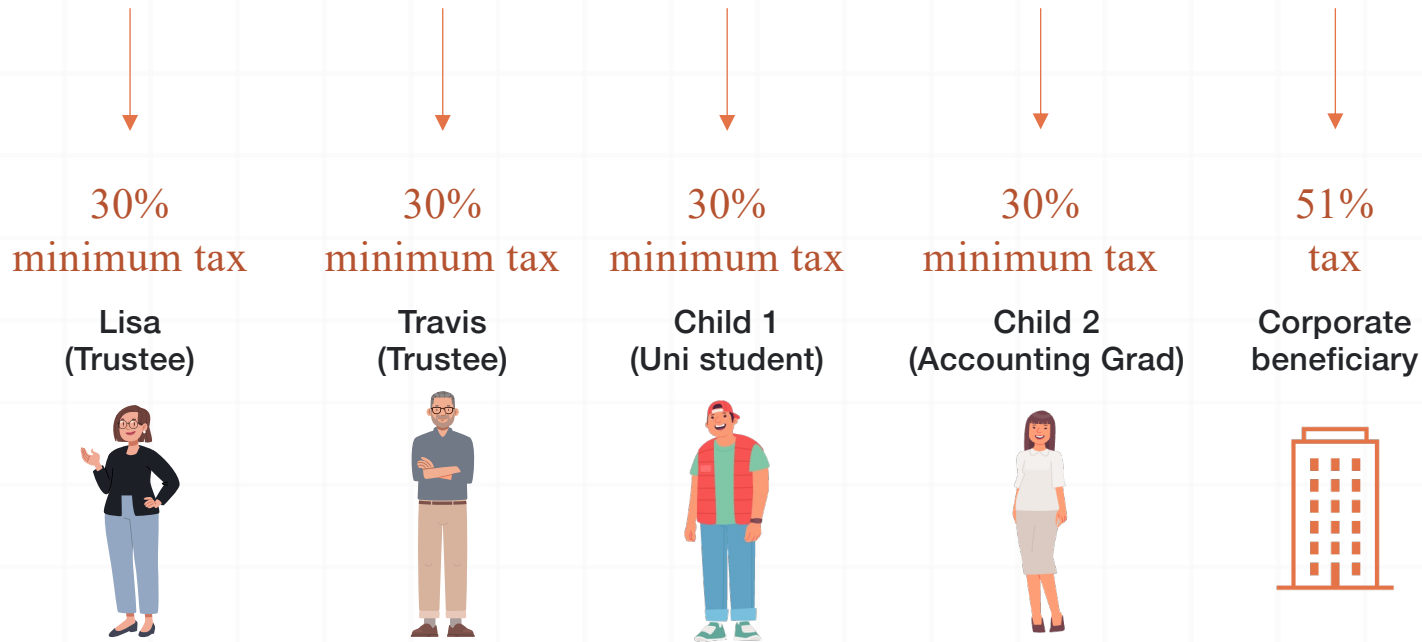
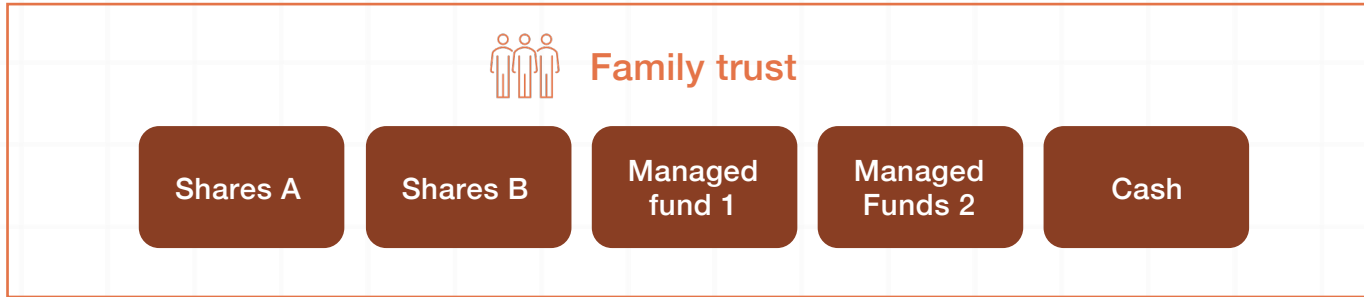
Taxed at beneficiaries' **MTR**

Stream dividends to **corporate beneficiary**

Corporate beneficiary is in effect a **tax deferral** strategy

Corporate beneficiary that ends up distributing back to discretionary trust to then distribute to individual beneficiaries would be a high risk tax avoidance strategy

Travis and Lisa's current structure based on the **nEW** rules...



Minimum tax of 30% for beneficiaries below 30% MTR

Assets held within trust **subject to CGT**

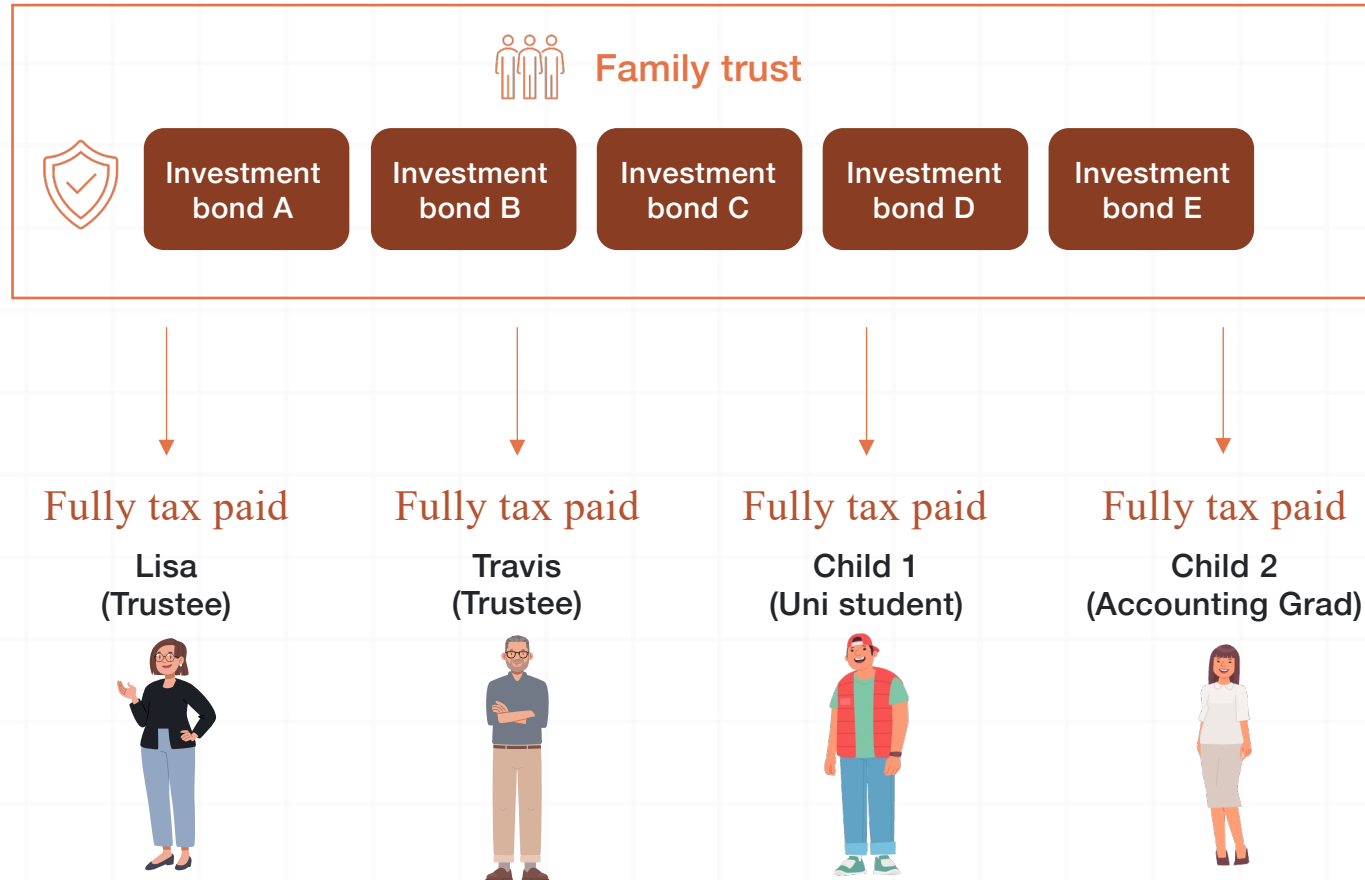
Distribution to bucket company **subject to potential double taxation**

No longer an income streaming strategy to beneficiaries

Non-refundable tax credit for individual beneficiaries

No tax credit for corporate beneficiary

Setting up **investment bonds** within a trust



Investment bonds are tax-paid – **maximum rate of 30%**

Tax-Optimised – effective tax rate generally ranging between **10%-15%** over the long term¹

Does not distribute income – no corporate beneficiary needed to manage tax

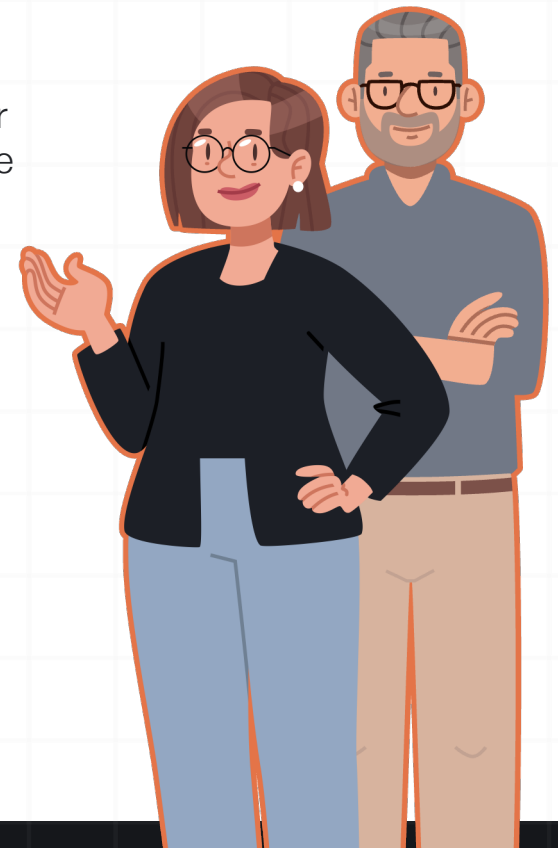
Income to beneficiaries can be controlled when needed

30% tax offset available against personal tax liability for pre-10 year withdrawals

1. Indicative effective average tax rates representing the estimated average annual tax as a percentage of earnings for each 12-month period over a future period of 15 years. Actual tax amounts payable are not guaranteed and may vary from year to year based on, amongst other things, the earnings of an investment option.

Travis' and Lisa's outcomes...

- ✓ Retained family control via trust structure
- ✓ 30% tax offset available on withdrawals before 10-years for adult children to reduce their personal tax liability
- ✓ Tax-paid at maximum rate of 30% – Tax optimisation can further reduce effective tax rate
- ✓ Simplified administration over time
- ✓ Greater certainty and control when transferring wealth to the next generation





Your role as financial advisers today...

“Chief Interpretation Officers”

1.

Simplifying complex decisions

2.

Providing reassurance under changing rules

3.

Sustaining confidence in long-term planning



The future of wealth planning

Going **beyond your typical structures**

01.

Need for structural diversification

02.

Multiple tax environments

03.

Greater flexibility

Why this matters now?

Change isn't slowing down

Client portfolio structuring needs to be designed for change – not dependant on it



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