The Bottom Line
NEWSLETTER
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elphinstone stevens pty ltd

Pay Day Super - Changes from 1 July 2026

From 1 July 2026, employers will need to pay employees' super on each payday instead of quarterly.

What Should You Do Now?

- Review your current super payment processes
  Check how often you pay super and which clearing house or payroll provider you use.
- Assess your payroll software and systems
  Ensure your payroll system can manage more frequent super payments.
- Plan for the cash flow impact
  Paying super each payday will mean more regular cash outflows.

A contribution will be considered on time if it is received by the employee's super fund within 7 business days of paying your employee. If you use a commercial clearing house, allow sufficient processing time.

Best practice will be to pay super on payday, also referred to as 'QE day' (the day you pay qualifying earnings to employees).

Planning ahead now can help ensure a smooth transition.

SBSCH is Closing

The Small Business Superannuation Clearing House (SBSCH) will permanently close on 1 July 2026.

Employers currently using this service should begin transitioning to an alternative clearing house or payroll solution to continue paying their employees' super guarantee.

Employers should also be aware that when a new employee starts, there may be an additional step under the choice of fund rules. If the employee does not nominate a super fund, the employer may need to request the employee's stapled super fund details from the ATO.

Paying Super Guarantee

The ATO reminds employers that super guarantee (SG) must be paid for all eligible employees.

Currently, employers must pay at least 12% of an employee's ordinary time earnings into a complying super fund each quarter. The due date for the March 2026 quarter is 28 April 2026. If paid late, there is no tax deduction.

In most cases, employees can choose their super fund.

Employers who fail to pay super in full, on time, or to the correct fund may be liable for the Superannuation Guarantee Charge (SGC), which includes:

- the unpaid super amount
- 10% nominal interest
- an administration fee of $20 per employee, per quarter

All super payments must be made through SuperStream, which electronically processes super payment information and funds.

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Please Remember

By necessity the contents of this newsletter are summary only. Clients should contact us on 6431 3933 to discuss matters prior to acting.

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ATO's new approach to holiday home expenses

The ATO has announced that it will take a somewhat different approach in relation to expenses that are claimed in relation to holiday homes.

Broadly, the ATO now takes the view that, if a taxpayer's rental property is also their holiday home, certain deductions relating to holding it will be completely denied (rather than being apportioned).

Expenses relating to ownership and use of the holiday home (e.g., interest, rates and maintenance) will not be deductible, unless the holiday home is 'mainly' used to produce assessable income.

Whether a holiday home is used 'mainly' to produce assessable income will be determined based on a consideration of a number of factors.

However, this will generally not apply to expenses incurred in relation to holiday homes that are rental properties before 1 July 2026, if those expenses are incurred under an arrangement entered into prior to 12 November 2025.

$20,000 Instant Asset Write-Off extended

Editor: The Government recently passed legislation to extend the $20,000 instant asset write-off for small businesses by 12 months to 30 June 2026.

Taxpayers should note that if their business has an aggregated annual turnover of less than $10 million, they may be able to use the instant asset write-off ('IAWO') to immediately deduct the business portion of the cost of eligible assets which cost less than $20,000.

Eligible assets must basically have been first used (or installed ready for use) between 1 July 2025 and 30 June 2026. The $20,000 limit applies on a per asset basis, so taxpayers can instantly write-off multiple assets.

The IAWO can be used for both new and second-hand assets (but some exclusions and limits apply).

Editor: Please contact our office if you require assistance regarding the above, including in relation to also claiming deductions for improvement costs for certain assets

Congratulations times two!

To Melissa and Sam,

Congratulations on the arrival of your beautiful twin babies. May your hearts be filled with immense joy as you begin this wonderful journey together. Wishing your family all the love, laughter and happiness in the world as you welcome your new additions.

Contractors omitting income

Through data matching, the ATO is seeing some contractors incorrectly reporting or omitting contractor income. Contractors need to report all their income in their tax return, including payments made by businesses for their contracting work.

Note that, as part of the taxable payments reporting system ('TPRS'), certain businesses must lodge a *'Taxable payments annual report'* ('TPAR') to report payments made to contractors for providing the following services:

- building and construction;
- courier;
- cleaning;
- information technology;
- road freight; and
- security, investigation or surveillance.

For taxpayers who work as a contractor and provide any of these services, the business they contract to should be reporting those payments to the ATO on their TPAR. Contractors obviously then need to include this income on their tax return.

If the ATO suspects a contractor may have omitted TPRS income on their tax return, it may contact them to request they amend their tax return. If the contractor does not take action, the ATO may conduct a review and audit of their business, and penalties and interest may apply.

Businesses using cash to dodge obligations

The ATO is 'cracking down' on businesses that use cash to avoid meeting their tax, employer and business obligations. Businesses that do this may:

- fail to report all sales transactions and fail to issue receipts;
- avoid paying GST, income tax, PAYG withholding, super guarantee, insurance and work cover protection;
- report their income below the $75,000 threshold to avoid registering for GST;
- exploit workers by not meeting award conditions and workers compensation cover; or
- undercut honest businesses by offering cheaper prices for cash.

The ATO warns that workers who are paid cash-in-hand or working 'off the books' are often disadvantaged. Apart from not receiving the entitlements they should be, if they are injured at work, they may not be protected.

ATO child support data-matching program

The ATO has advised that it will acquire child support data from Services Australia for the 2025 to 2027 income years, including the following:

- client identification details (names, addresses, phone numbers, and dates of birth); and
- child support details (child support identification reference number, child support role type, and child support category).

The ATO estimates that records relating to up to 300,000 individuals will be obtained each financial year, which will be matched against ATO records.

The objectives of this program are to (among other things):

- allow Services Australia to more accurately assess child support obligations, and maximise opportunities to collect child support debts; and
- identify and educate individuals who may be failing to meet their lodgment obligations and help them to finalise their lodgment obligations, or notify the ATO that an income tax return is not required.

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Mandating cash acceptance

The Government recently announced that it was delivering on its commitment *"to mandate cash acceptance for essential purchases by finalising regulations that require fuel and grocery retailers to accept cash from 1 January 2026."*

The changes mean that, from **1 January 2026**, most food and grocery retailers must accept cash for in-person transactions of $500 or less between 7am and 9pm.

Small businesses with aggregate annual turnover under $10 million are generally exempted from this mandate. However, this mandate still applies to small businesses that choose to share a trademark with a large retailer.

The Government noted that, in addition to the cash mandate for fuel and groceries, consumers also already have the option to pay their bills, including utilities, phone bills and council rates, in cash at their local Australia Post outlet through Post Billpay.

The Government will review this mandate after three years, to ensure it is functioning as intended.

ATO warns about barter credit tax scheme

The ATO is warning the community to steer clear of an emerging tax scheme involving barter credits – a type of alternative currency used in some business networks.

A tax scheme that involves artificially inflating deductions for donations of barter credits to deductible gift recipients ('DGRs') is on the rise. While it may seem enticing, promoters and taxpayers could face potentially significant consequences if they are involved.

The ATO is concerned that such schemes are being enabled by several barter exchanges that are allowing participants to access barter credits with a nominal face value that is much more than any payments actually made to the exchange. Participants then donate these barter credits to a DGR and claim a larger tax deduction than they are entitled to.

Those involved may have to repay the tax, plus face heavy penalties, interest and legal action.

Australians call out tax dodgers in record numbers

The ATO has hit a major milestone of over 300,000 tip-offs from the community about tax avoidance and other dishonest behaviours since 1 July 2019. In the 2024/25 financial year alone, almost 50,000 red flags were raised by members of the community who spotted something suspicious.

Most of the tip-offs received related to shadow economy activity, coming from customers, employees, other businesses, and even family and friends.

This year, Australians reported businesses and individuals who:

- did not declare their income;
- demanded or paid for work in cash to avoid tax;
- lived lifestyles that did not match their known income; and
- failed to report all sales.

The top three industries seeing a surge in 'red flags' this financial year are:

- building and construction;
- cafes and restaurants; and
- hairdressing and beauty services.

Time limits on GST and fuel tax credit claims

Taxpayers should note that GST credits and fuel tax credits will expire if not claimed within the 4-year credit time limit (i.e., generally four years from the due date of the original BAS in which the taxpayer could have claimed them).

Once credits expire, the ATO has no discretion or ability to amend the assessment to include those credits.

The 4-year credit time limit is different to the period of review and applies more strictly.

There may be situations where the ATO is able to amend for overpaid or underpaid GST or overclaimed credits, but additional credits cannot be included in an amendment assessment.

If credits are near expiry, instead of writing to request an amendment, taxpayers should consider:

- claiming the credits in their next BAS that is still within the 4-year credit time limit;
- requesting the amendment by lodging a revised BAS for the tax period to which the credits are attributable (these are generally processed faster than amendment requests in other forms); or
- lodging a valid objection against their assessment for the period to which the GST credits are attributable before the end of the 4-year credit time limit.

Editor: If you identify any unclaimed input tax credits, we can assist with actioning the above options to try and ensure the credits are not lost.

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Celebrating Local Family Farming Success

At Elphinstone Stevens, we are proud to congratulate two of our long-standing farming clients on their recent purchases of agricultural land from corporate ownership.

It is particularly encouraging to see significant parcels of farmland transition from corporate ownership back into the hands of local farming families — strengthening our regional agricultural community and supporting long-term, generational enterprise.

Luke & Katrina McNab - Expanding at Rocky Cape

Luke and Katrina McNab have successfully acquired 750 hectares at Rocky Cape, further expanding their diverse farming operation.

The additional land will support the growth of their:

- Dairy farming enterprise
- Beef cattle operation
- Potato production
- Poppy cropping

This strategic expansion positions the McNabs for continued sustainability and scale across multiple agricultural sectors. Their commitment to reinvesting locally demonstrates strong confidence in the future of Tasmanian agriculture and family-owned farming.

The Bruce Family - Growing a Leading Beef Enterprise

We also extend our congratulations to the Bruce family — John, Angela, Iain and Jane — on their purchase of an additional 570 hectares. This acquisition expands their total landholding to approximately 1,200 hectares and supports a herd of around 2,000 head of cattle.

Their beef enterprise primarily supplies Greenhams Cape Grim Beef, known for premium grass-fed production and strong market reputation.

The expansion strengthens the Bruce family's beef business, ensuring continued productivity and resilience in a competitive industry.

A Positive Step for Family Farming

These transactions represent more than just land purchases — they reflect a broader and positive trend of farming families reclaiming and reinvesting in agricultural land previously held by corporate entities.

Family ownership often brings:

- Long-term stewardship of the land
- Deep local knowledge and community engagement
- Multi-generational planning and sustainability
- Strong reinvestment into regional economies

As advisers, we are privileged to support clients through significant milestones such as these. It is immensely rewarding to see hard-working family operations grow, strengthen their legacy, and contribute to the ongoing success of our agricultural sector.

Congratulations again to the McNab and Bruce families on these outstanding achievements.

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