



## SUPER SPLITTING

### GROW YOUR WEALTH TOGETHER



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BY WEALTH ADVISER

### Introduction: Why Super Splitting Matters for Australian Families

When it comes to preparing for retirement, many Australians focus on growing their superannuation individually. But what if there was a way for couples to work together, sharing their super contributions to build a stronger financial future? This is where superannuation contribution splitting—commonly known as “super splitting”—comes into play.

Super splitting allows couples to transfer a portion of their super contributions from one partner to another, helping to balance retirement savings and maximise the benefits available to both. As highlighted in Firstlinks, “contribution splitting is a little-known but powerful strategy for couples to balance super and boost family wealth.” While not as widely discussed as other super strategies, super splitting can make a significant difference, particularly for households where one partner has a much higher super balance or where one has taken time out of the workforce.

#### BEFORE YOU GET STARTED

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In a world of shifting economic conditions and increasing longevity, building resilience into your retirement planning is more important than ever. Super splitting offers a practical way for families—especially in communities like St Ives, NSW, where many couples are planning for a comfortable retirement—to work together and make the most of the super system.

This article will guide you through the essentials of super splitting: how it works, who can benefit, practical steps to get started, and common pitfalls to avoid. Whether you're just starting to think about retirement or looking to optimise your family's wealth, understanding super splitting could be the key to growing your wealth together.

## How Super Contribution Splitting Works

### What Is Super Splitting?

Super contribution splitting is a strategy that allows you to transfer up to 85% of your concessional (before-tax) super contributions from your account to your spouse's super account each financial year. This includes employer super guarantee payments, salary sacrifice contributions, and personal deductible contributions. As the Australian Taxation Office (ATO) explains, "You can split up to 85% of your concessional (before-tax) contributions with your spouse each year."

This strategy is especially relevant for couples where one partner has a much higher super balance, or where one partner has spent time out of the workforce—perhaps due to caring responsibilities or part-time work. By splitting contributions, couples can ensure both partners have meaningful super balances, improving financial security and flexibility in retirement.

### Who Can Use Super Splitting?

To use super splitting, you and your spouse must meet certain criteria:

- **Marital Status:** You must be married or in a de facto relationship (including same-sex couples).
- **Age:** The receiving spouse must be under their preservation age, or between preservation age and 65 and not yet retired.
- **Type of Contributions:** Only concessional contributions made in the previous financial year can be split.

As outlined in the Firstlinks article, "Contribution splitting is only available for concessional contributions, and you can only split contributions from the previous financial year unless you are rolling over or withdrawing your entire super balance."

### How Does the Process Work?

The process typically involves these steps:

1. **Check Your Fund's Rules:** Not all super funds offer con-

tribution splitting, so check with your fund first. Some funds may charge a fee for this service.

2. **Make Concessional Contributions:** These include employer contributions, salary sacrifice, and personal deductible contributions.
3. **Submit a Splitting Application:** Complete your fund's contribution splitting application form, usually after the end of the financial year in which the contributions were made.
4. **Timing:** Applications must usually be made before the end of the following financial year, and before the receiving spouse turns 65 or retires.
5. **Receive Confirmation:** Your fund will process the request and transfer the nominated amount to your spouse's super account.

As Passive Investing Australia notes, "You must lodge a Notice of Intent to claim a tax deduction on personal contributions before you can split them with your spouse."

### Common Misconceptions

It's important to note that splitting contributions:

Does not affect your concessional cap: The split is made after the contribution has been counted towards your cap.

Cannot be used for non-concessional (after-tax) contributions: Only before-tax contributions are eligible.

Does not remove excess contributions: If you exceed your concessional cap, splitting does not fix this.

The Firstlinks article clarifies, "Splitting does not remove excess contributions if you exceed your concessional cap."

## Benefits of Super Splitting: Real-Life Scenarios

Super splitting isn't just a technical exercise—it can deliver real financial benefits for couples at all stages of life. Here are some of the main advantages, with examples and case studies drawn from leading Australian superannuation resources.

### Balancing Super Between Partners

One of the most common reasons for super splitting is to even out super balances between partners. This is especially important where one partner has taken time out of the workforce, worked part-time, or earned less due to caring responsibilities.

As LegalSuper explains, "Contribution splitting can help couples where one partner has taken time out of the workforce, ensuring both have adequate retirement savings." This can be a game-changer for many families, as it allows both partners to enjoy a more secure and comfortable retirement.

#### Example:

Sarah and David live in St Ives, NSW. David has worked full-time for most of his career, while Sarah took several

years off to raise their children and later returned to work part-time. By splitting some of David's concessional contributions into Sarah's super, they can help balance their retirement savings, giving Sarah greater financial independence and flexibility in retirement.

### **Earlier Access to Tax-Free Super**

Super splitting can also allow couples to access tax-free super earlier. If one partner is older and closer to preservation age, splitting contributions into their account can mean earlier access to tax-free income streams.

Firstlinks highlights, "If your spouse is older, splitting contributions to their account can bring forward your family's access to tax-free super benefits."

#### **Example:**

Michael is 60, and his wife, Anna, is 54. By splitting contributions into Michael's super account, the couple can access tax-free super income sooner, helping them transition to retirement more smoothly.

### **Maximising Centrelink Age Pension Entitlements**

Super splitting can also help couples maximise their Centrelink Age Pension entitlements. By shifting super into the younger partner's account (which is not counted in the assets test until they reach Age Pension age), couples may be able to increase their Age Pension payments.

As LegalSuper notes, "Splitting contributions to the younger spouse can help reduce assessable assets for Centrelink purposes, potentially increasing Age Pension entitlements."

#### **Example:**

Jenny is 67 and eligible for the Age Pension, while her husband, Tom, is 62. By splitting contributions into Tom's super, the couple can reduce Jenny's assessable assets, increasing her Age Pension payments until Tom reaches pension age.

### **Managing the \$1.9 Million Total Super Balance Cap**

The government's Total Super Balance cap (currently \$1.9 million) limits the amount you can transfer into a tax-free retirement income stream. By splitting contributions, couples can manage their balances to avoid breaching the cap.

As Firstlinks explains, "Contribution splitting can help couples manage their super balances to stay under the \$1.9 million cap, maximising their ability to make non-concessional contributions and transfer funds into tax-free retirement accounts."

### **Real-Life Impact: Building Family Wealth in St Ives and Beyond**

For families in St Ives and similar communities, where property values and living standards are high, making

the most of every dollar in super counts. According to the Association of Superannuation Funds of Australia (ASFA), the gap between men's and women's super balances at retirement remains significant, with women retiring with around 23% less super on average. Super splitting is a practical way to address this gap and ensure both partners are financially secure.

## **Practical Tips and Common Pitfalls**

Super splitting is a powerful tool, but it's important to get the details right. Here are some practical tips and common pitfalls to watch out for, drawn from the Firstlinks, HESTA, Passive Investing Australia, and ATO resources.

### **Step-by-Step Tips for Super Splitting**

1. Check Your Fund's Rules
  - Not all super funds offer contribution splitting. Contact your fund or check their website to confirm.
  - Some funds may charge a fee for processing the split.
2. Understand the Timing
  - You can only split contributions made in the previous financial year, unless you are rolling over or withdrawing your entire balance.
  - As HESTA advises, "You must apply to split contributions before your spouse turns 65 or retires."
3. Complete the Paperwork
  - Most funds require you to fill out a specific contribution splitting application form.
  - If you are claiming a tax deduction for personal contributions, you must lodge a Notice of Intent before splitting.
4. Keep Good Records
  - Keep copies of all forms and correspondence with your fund.
  - Confirm the split has been processed and the funds have been transferred to your spouse's account.
5. Review Regularly
  - Super splitting is not a one-off exercise. Review your situation each year to see if further splitting is beneficial.

### **Common Pitfalls to Avoid**

- **Missing the Deadline:** If you miss the application window, you cannot split contributions for that year.
- **Not Checking Fund Rules:** Some funds do not allow splitting, or may have additional requirements.
- **Assuming All Contributions Are Eligible:** Only concessional contributions can be split; non-concessional (after-tax) contributions are not eligible.
- **Ignoring Tax Implications:** While splitting does not affect your concessional cap, it is important to consider the overall tax impact, especially if you are close to the cap.





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As Passive Investing Australia cautions, “If you exceed your concessional cap, splitting does not remove the excess contributions or the associated tax liability.”

### Where to Get Help

- **ATO Website:** The official source for rules and eligibility (ATO: Contributions splitting).
- **MoneySmart:** Independent financial guidance (MoneySmart: Super contribution splitting).
- **Your Super Fund:** Most funds have resources and forms available online.
- **Financial Adviser:** For tailored advice, especially if your situation is complex.

### Conclusion: Making Super Splitting Work for You

Super splitting is a practical, underused strategy that can help Australian couples grow their wealth together. By understanding how it works, who can benefit, and the steps involved, you can take control of your family’s financial future and make the most of the super system.

As Firstlinks puts it, “With the right strategy, couples can make the most of their super and secure a stronger financial future together.” Whether your goal is to balance super between partners, access tax-free income sooner, maximise Centrelink entitlements, or simply build greater financial resilience, super splitting offers a flexible and effective solution.

### Next Steps: Your Super Splitting Checklist

- Check if your super fund allows contribution splitting.
- Confirm your and your spouse’s eligibility.
- Calculate how much you can split (up to 85% of concessional contributions).
- Complete and submit the necessary forms before the deadline.
- Review your super strategy each year to see if further splitting is beneficial.

- Seek professional advice if you have complex needs or want to maximise your outcomes.

For more information, visit the ATO’s contribution splitting page or speak to your financial adviser.

By taking a proactive approach and working together, you and your partner can build a more secure and prosperous retirement—one contribution at a time.

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# FROM BLOCKS TO BENEFITS

## NAVIGATING THE PRACTICAL AND FINANCIAL REALITIES OF SUBDIVIDING YOUR PROPERTY

**BY WEALTH ADVISER**

### Introduction: The Allure and Opportunity of Subdivision

For many Australians, property is more than a home—it's a cornerstone of wealth and security. As cities grow and land becomes scarcer, the opportunity to subdivide a property has become an increasingly attractive strategy for those seeking to unlock hidden value and build resilience into their financial future. Subdivision is not simply a technical process; it's a thoughtful decision that can reshape your financial landscape, offering new pathways to wealth, flexibility, and security.

As highlighted in Firstlinks, "subdivision is a means to unlock value and maximise the potential of your land." This sentiment is echoed by Archistar, which notes, "The most successful property investors are those who plan ahead and assess all the factors before making a move." These insights remind us that subdivision is both a practical and philosophical journey—one that rewards careful planning, patience, and a willingness to see beyond the surface of a single block.

With urbanisation accelerating and housing demand rising, more Australians are considering subdivision as a way

to adapt to changing economic realities. Whether you're a homeowner looking to create a nest egg, an investor seeking new income streams, or simply curious about your options, understanding the practical and financial realities of subdivision is essential. This guide will walk you through the key steps, costs, legal considerations, and strategies to help you make informed decisions and build lasting wealth.

### The Practical Steps: Understanding the Subdivision Process

Subdivision may seem straightforward, but it is a complex process shaped by local regulations, land characteristics, and your long-term goals. As Melbourne Land Surveyors aptly puts it, "Subdivision is not a one-size-fits-all process—each site, council, and state has unique requirements." Understanding these nuances is the first step to a successful project.

#### 1. Feasibility Assessment

Before anything else, assess whether your property is suitable for subdivision. This involves checking local council zoning, minimum lot sizes, overlays, and any restrictions that may apply. As Momentum Wealth advises, "Careful due diligence

is essential—overlooking a zoning restriction or infrastructure requirement can derail your plans before they begin.”

## 2. Engaging Professionals

Subdivision is a team effort. You’ll need the expertise of surveyors, town planners, legal advisers, and possibly engineers. SCE Corp emphasises, “Engaging qualified professionals early in the process can save time, money, and stress down the track.” These experts will help you navigate the maze of regulations, prepare necessary documentation, and liaise with authorities.

## 3. Planning and Application

With your team in place, the next step is to prepare and submit a development application to your local council. This typically includes detailed site plans, environmental assessments, and infrastructure proposals. Archistar reminds us, “Minimum lot size, demand, planning rules, and infrastructure requirements must all be considered before lodging your application.”

## 4. Approval and Compliance

Once submitted, your application will be reviewed by the council and relevant authorities. They may request additional information or modifications to your plans. As SCE Corp notes, “Approval processes can vary significantly between councils—patience and flexibility are key.”

## 5. Subdivision Works and Titling

After approval, physical works such as installing utilities, roads, or driveways may be required. Upon completion, new titles are issued for each subdivided lot, allowing you to sell, build, or hold as you see fit.

Throughout this process, communication and documentation are crucial. As Melbourne Land Surveyors advises, “Keep detailed records and maintain open lines of communication with all stakeholders to avoid costly delays.”

## Financial Considerations: Costs, Funding, and Potential Returns

Subdivision can be a powerful wealth-building tool, but it comes with significant financial considerations. Understanding the costs, funding options, and potential returns is essential for making informed decisions and avoiding unpleasant surprises.

### Typical Costs

The costs of subdivision can vary widely depending on location, property size, and complexity. Firstlinks breaks down the typical expenses:

- **Application fees:** Council and state government charges for processing your subdivision application.

- **Professional fees:** Surveyors, planners, engineers, and legal advisers.
- **Infrastructure costs:** Installing utilities (water, sewer, electricity), roads, and driveways.
- **Construction costs:** If you plan to build on the new lots.
- **Holding costs:** Interest on loans, council rates, and insurance during the process.

SCE Corp adds, “Hidden costs such as unexpected infrastructure upgrades or compliance requirements can erode profit margins if not carefully planned for.” This warning is echoed by Archistar: “Hidden costs can erode profit margins if not carefully planned for.”

### Funding Options

Financing a subdivision project may involve using equity in your existing property, obtaining a construction or development loan, or partnering with investors. Momentum Wealth highlights the importance of cash flow management: “Subdivision projects often require significant upfront investment and may take months or years to realise a return.”

It’s crucial to have a clear budget and contingency plan. As Momentum Wealth advises, “Factor in potential delays, cost overruns, and market fluctuations when assessing your funding needs.”

### Potential Returns

The primary financial benefit of subdivision is the potential to increase the value of your property. By creating additional lots, you can sell them individually, build new dwellings for sale or rent, or hold for future appreciation. Firstlinks provides a practical example: “A homeowner who subdivides and sells a rear lot may realise a substantial profit, while retaining their original home.”

Momentum Wealth notes, “Subdivision can also enhance rental yield by allowing for the construction of additional dwellings, diversifying your income streams and reducing reliance on a single tenant or property.”

However, returns are not guaranteed. Market conditions, demand for land or housing, and unforeseen costs can impact your bottom line. As Archistar cautions, “A well-researched and carefully managed subdivision can deliver excellent returns, but poor planning or market timing can result in losses.”

## Taxation and Legal Implications: Avoiding Costly Pitfalls

While the financial rewards of subdivision can be significant, the tax and legal implications are complex and can catch the unwary by surprise. Understanding these issues is vital to maximising your benefits and avoiding costly mistakes.



### Capital Gains Tax (CGT) and GST

One of the most significant tax considerations is Capital Gains Tax (CGT). As BK Partners explains, “Subdividing your main residence can trigger unexpected tax liabilities if not structured correctly.” If you sell a subdivided lot, you may lose the main residence exemption for that portion, resulting in a CGT liability.

Camden Professionals further clarifies, “The act of subdividing land does not itself trigger CGT, but selling the subdivided lot does. The cost base for CGT purposes must be apportioned between the original and new lots.”

GST may also apply if you are considered to be conducting an enterprise, such as developing and selling multiple lots. Property Tax Specialists advises, “If you are subdividing and selling as part of a business or profit-making scheme, GST may be payable on the sale proceeds.”

### Legal Structuring and Compliance

Proper legal structuring can help minimise tax and protect your interests. As Property Tax Specialists notes, “Holding property in the correct structure—such as a trust, company, or joint venture—can offer significant tax and asset protection benefits.”

It’s essential to seek professional advice before commencing a subdivision. BK Partners warns, “Failing to obtain legal and tax advice before subdividing can result in unintended tax liabilities, compliance breaches, and even penalties.”

### Practical Tips for Minimising Tax

- **Seek professional advice:** Engage a tax adviser with experience in property development.

- **Maintain detailed records:** Keep all receipts, contracts, and correspondence related to the subdivision.
- **Consider timing:** The timing of sales can impact your tax position, especially regarding CGT and GST.
- **Review ATO guidance:** The Australian Taxation Office provides detailed information on the tax treatment of subdivisions.

By understanding and planning for these issues, you can avoid costly surprises and ensure your subdivision project delivers the financial benefits you expect.

### Building Resilience and Long-term Wealth: Lessons and Strategies

Subdivision is more than a financial transaction—it’s a strategic move that can build resilience and future-proof your wealth. In a world of economic uncertainty and changing property markets, the ability to adapt and create new opportunities is invaluable.

Firstlinks observes, “Subdivision can provide a buffer against market downturns and diversify your income streams.” By creating multiple lots or dwellings, you reduce your reliance on a single asset and open up new avenues for growth.

Momentum Wealth adds, “A well-executed subdivision can turn a stagnant asset into a dynamic source of wealth, providing both immediate returns and long-term security.”

### Balancing Risk, Patience, and Strategy

Successful subdivision requires a balance of risk-taking, patience, and strategic thinking. Archistar reflects, “The most successful investors are those who take a long-term



view, plan for contingencies, and are willing to adapt as circumstances change.”

Scenario planning is essential. Consider different market conditions, interest rate changes, and regulatory shifts. As Momentum Wealth suggests, “Ongoing education and professional collaboration are key to staying ahead in a dynamic market.”

### Actionable Strategies for Advisers and Clients

- **Educate yourself and your clients:** Stay informed about local regulations, market trends, and tax changes.
- **Build a trusted team:** Engage professionals with proven experience in subdivision projects.
- **Plan for the long term:** Consider how subdivision fits into your broader wealth strategy and risk profile.
- **Be adaptable:** Monitor market conditions and be prepared to adjust your plans as needed.

By approaching subdivision as both a practical and philosophical endeavour, you can unlock the full potential of your property and build lasting wealth and resilience.

### Conclusion

Subdivision offers a unique opportunity for Australians to transform their properties, build wealth, and adapt to a changing world. While the process is complex and requires careful planning, the rewards can be substantial for those who approach it with diligence, foresight, and a willingness to learn. By understanding the practical steps, financial considerations, tax implications, and strategic opportunities, you can navigate the journey from blocks to benefits with confidence and success.

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# AUSTRALIAN PROPERTY PRICES

## NAVIGATING THE WORLD'S MOST EXPENSIVE MARKET

**BY WEALTH ADVISER**

### Introduction: The Global Stage and Australia's Property Phenomenon

Australia's property market has long fascinated both local and international observers. With house prices reaching unprecedented heights, the nation now sits among the world's most expensive markets, rivalled only by global hotspots such as Hong Kong and New Zealand. According to the 2025 Demographia International Housing Affordability report,

"Australia's median house price is now among the highest in the world, challenging even Hong Kong and New Zealand" (Firstlinks, 2025). This remarkable status is not only a point of pride for some but also a source of deep concern for many Australians, particularly those aspiring to home ownership or seeking to build wealth through property investment.

The story of Australian property prices is not merely about numbers; it is about the social fabric, economic resilience, and the evolving strategies required to navigate an ever-shifting landscape. As prices soar, questions of

affordability, market drivers, and the resilience of both individuals and the broader economy come to the fore. This article explores the current state of the Australian property market, the forces behind its ascent, the challenges it presents, and the strategies available to those seeking to thrive in one of the world's most expensive markets.

### The Numbers: How Expensive Is 'Expensive'?

To understand the scale of Australia's property phenomenon, one must first examine the numbers. As of June 2025, the median house price in Sydney has surpassed \$1.6 million, with Melbourne and Brisbane not far behind (Your Mortgage, 2025). "Sydney's median house price has surpassed \$1.6 million, with Melbourne and Brisbane not far behind," reports Your Mortgage. These figures are not isolated to the major capitals; regional markets have also seen significant growth, fuelled by lifestyle changes and the widespread adoption of remote work.

The latest data from Property Update (May 2025) shows that national median house prices have continued to climb, despite periodic slowdowns. "The Australian housing market has demonstrated remarkable resilience, with prices rising by an average of 8.2% over the past year," notes Property Update. This resilience is echoed in the Demographia report, which places several Australian cities in the top ranks of global unaffordability.

A global comparison reveals the extent of Australia's housing boom. According to the Demographia International Housing Affordability report, "Australian house prices are now only marginally below those of Hong Kong, the world's most expensive market" (Morningstar, 2025). This places immense pressure on first home buyers, who face daunting entry barriers, and on investors, who must carefully weigh the risks and rewards in a market that has already experienced significant appreciation.

The implications are profound. For first home buyers, the dream of ownership increasingly requires creative strategies, such as pooling family resources or considering 'rentvesting'—purchasing investment properties while renting in preferred locations. For investors, the challenge lies in identifying value and managing risk in a market where traditional metrics may no longer apply.

### What's Driving the Market? Forces Behind the Price Surge

The extraordinary rise in Australian property prices is the result of a complex interplay of factors. Chief among these is a chronic undersupply of new homes, which has failed to keep pace with population growth and changing household dynamics. As Property Update succinctly puts it, "The chronic undersupply of new homes remains the single biggest factor underpinning price growth" (Property Update, 2025).

Population growth, particularly in major cities, continues to drive demand. Australia's migration program, which rebounded strongly after the pandemic, has added hundreds of thousands of new residents each year, intensifying competition for housing. This demographic pressure is especially acute in Sydney, Melbourne, and Brisbane, where infrastructure and planning have struggled to keep up.

Interest rates, too, have played a pivotal role. The Reserve Bank of Australia's (RBA) recent rate cuts have made borrowing more accessible, fuelling demand and supporting higher prices. As noted in the Property Update's latest market statistics, "The impact of RBA rate cuts has been immediate, with buyer sentiment and auction clearance rates both surging in the months following each announcement" (Property Update, 2025).

Government policy has also shaped the market. Incentives for first home buyers, such as the First Home Owner Grant and various stamp duty concessions, have provided some relief but have also contributed to demand-side pressures. Meanwhile, investor activity remains robust, with many Australians viewing property as a cornerstone of long-term wealth creation.

Regional differences are increasingly pronounced. According to API Magazine, "While Sydney and Melbourne continue to dominate headlines, regional markets such as the Gold Coast, Newcastle, and Geelong have posted double-digit price growth, driven by lifestyle migration and improved connectivity" (API Magazine, 2025). This diversification underscores the resilience of the Australian property market, as buyers and investors adapt to new opportunities outside the traditional capitals.

### Affordability and Resilience: Challenges and Strategies for Australians

Despite the market's strength, the issue of affordability remains front and centre. For many Australians, the dream of home ownership is slipping further out of reach. "Affordability has improved slightly, but remains a significant barrier for many Australians," observes Australian Property Update (2025). The slight improvement is attributed to recent wage growth and modest price corrections in some markets, but these gains are often offset by rising living costs and stricter lending standards.

The social and economic impacts of unaffordable housing are far-reaching. Younger Australians are delaying major life milestones, such as starting families or investing in their own homes. This, in turn, affects broader economic growth and social cohesion.

To navigate these challenges, Australians are adopting a range of strategies. 'Rentvesting'—where individuals buy investment properties in more affordable areas while renting in their preferred locations—has gained popularity.

Government schemes, such as shared equity programs and targeted grants, provide additional pathways to ownership, though their effectiveness remains a topic of debate.

Financial planning is more critical than ever. As Firstlinks notes, “In a market characterised by volatility and high entry costs, sound financial advice and disciplined budgeting are essential for both buyers and investors” (Firstlinks, 2025). This is where the role of the financial adviser becomes paramount, helping clients assess risk, diversify their portfolios, and plan for the long term.

From a philosophical perspective, resilience is not just about weathering market fluctuations; it is about adapting to change and making informed decisions in the face of uncertainty. As the Australian market continues to evolve, those who remain flexible and open to new strategies are best positioned to succeed.

### Looking Ahead: Navigating the Path Forward

What does the future hold for Australian property prices? While no one can predict with certainty, most experts agree that the structural factors underpinning the market—population growth, supply constraints, and the enduring appeal of property as an asset class—will continue to support prices over the medium to long term.

API Magazine forecasts that “while price growth may moderate, structural factors suggest ongoing resilience in the Australian market” (API Magazine, 2025). This view is echoed by Property Update, which notes that “the fundamentals remain strong, but buyers should be prepared for periods of volatility as economic conditions shift” (Property Update, 2025).

For retail clients of financial advisers, the key lies in balancing opportunity with caution. Diversification—across asset classes, regions, and property types—remains a prudent strategy. Risk management, including appropriate insurance and contingency planning, is essential in a market that can turn quickly.

Wealth preservation is also critical. As the market matures, capital growth may slow, making rental yields

and cash flow more important considerations for investors. Advisers can help clients assess the true costs and benefits of property investment, ensuring that decisions align with broader financial goals.

In conclusion, navigating Australia’s property market requires a blend of resilience, adaptability, and informed decision-making. By understanding the forces at play and seeking expert guidance, Australians can continue to build and preserve wealth in one of the world’s most dynamic—and expensive—property markets.

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# Q&A = Ask a Question

## Question 1:

**With everything happening in the world, wars, recent elections, economic uncertainty, I'm getting nervous about my investments. Should I be doing anything?**

Answer: It's understandable to feel unsettled when global headlines are filled with conflict and volatility. Events like war or political unrest can cause short-term market swings, but they rarely justify long-term changes to a well-constructed portfolio. While markets may react sharply in the moment, history shows they can often recover quickly once uncertainty passes. The key is to ensure your investments match your goals, timeframe, and risk tolerance, not the latest news cycle. Reacting emotionally can lead to poor decisions, such as selling after markets have already fallen. If you're worried, it may be worth reviewing your portfolio's diversification, cash buffer, or whether your asset allocation still aligns with your needs.

Staying focused on your long-term plan, and speaking with your adviser, can help you feel more in control, even when the world feels uncertain.

## Question 2

**I'm turning 67 soon, do I still need to meet a work test to make super contributions?**

Individuals aged between 67 and 74 do not need to meet the work test to make contributions to super. That means you can contribute to non-concessional contributions up to

\$120,000 per year, or up to \$360,000 under the bring-forward rule, provided your total super balance is below \$1.9 million. However, if you want to claim a tax deduction for personal contributions (concessional), you still need to meet the work test unless you're under 75 and using a recent work test exemption. This change has made it easier for many older Australians to boost their retirement savings in the years leading up to retirement or even after retirement.

But it's important to ensure any contributions fit within your caps and don't push your balance over key thresholds. Your adviser can help assess the best timing and structure for your contributions.

## Question 3

**I want to gift money to my children, but I heard this could affect my Age Pension, how does that work?**

Yes, Centrelink has rules around gifting that could affect your Age Pension entitlements. While you're free to gift money or assets to your children or others, the government imposes limits on how much can be gifted before it starts to count against you in the means test. Currently, you can gift up to \$10,000 in a financial year, with a maximum of \$30,000 over a five-year rolling period. Any amount above these thresholds is considered a "deprived asset" and will still be counted in your asset and income test for five years from the date of the gift. This means that giving away too much could reduce your Age Pension or disqualify you temporarily.

It's important to plan these decisions carefully, especially if you're relying on the pension as part of your retirement income. A financial adviser can help you assess how gifting may impact your entitlements and explore other options.

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