

# 11 money changes from 1 July — what they mean for you

A plain-English guide to the tax, super, wage and small-business changes that take effect this financial year.

A new financial year has arrived, and with it a long list of changes to tax, superannuation, wages and small-business rules. Some put a little more in your pocket, some let you save more for retirement, and a couple matter most if you have a larger super balance or run a business. Below is our quick guide to the eleven that are most likely to touch your finances — with the figures, comparisons and a simple map of which changes apply to you.

<b>\$268</b>	<b>\$32,500</b>	<b>\$2.1m</b>	<b>\$20,000</b>
income-tax cut this year for most workers	new yearly pre-tax super cap (up from \$30,000)	tax-free retirement transfer balance cap	permanent small-business instant write-off

## In a nutshell

- Most workers get a modest income-tax cut, and the minimum wage and Medicare levy surcharge thresholds rise.
- You can put more into super each year, and from this year employers must pay your super alongside your wages.
- The tax-free retirement transfer balance cap lifts to \$2.1 million; the new Division 296 tax targets very large balances above \$3 million.
- Business owners gain a permanent \$20,000 instant asset write-off and the return of the loss carry-back offset.

## The 11 changes at a glance

#	Change	From	To	Who it affects most
1	Income-tax cut (lowest bracket)	16%	15%	Everyone earning over \$18,200
2	National minimum wage	\$24.95/hr	\$26.44/hr	Award & minimum-wage workers
3	Concessional (pre-tax) super cap	\$30,000	\$32,500	Anyone salary-sacrificing
4	Standard work-expense deduction	Receipts	\$1,000 option	Employees & sole traders
5	Paid parental leave	24 weeks	26 weeks	New & expecting parents
6	Medicare levy surcharge (single)	\$97,000	\$105,000	Higher earners, no private cover
7	Payday super	Quarterly	Each payday	All employees
8	Transfer balance cap	\$2.0m	\$2.1m	New retirees
9	Division 296 super tax	—	+15% over \$3m	Very large super balances
10	Instant asset write-off	Temporary	Permanent \$20k	Small business owners
11	Loss carry-back offset	—	Reinstated	Companies under \$1bn turnover

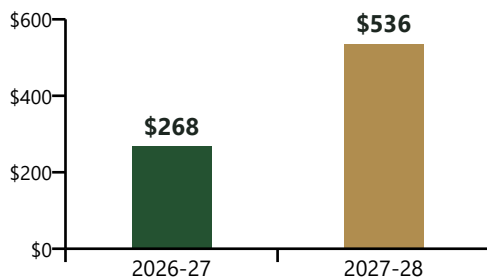
Figures are the headline settings for 2026-27; some thresholds are rounded. See notes on the final page.

## Tax and your take-home pay

### 1 A tax cut for most workers

The tax rate on income between \$18,201 and \$45,000 falls from 16 per cent to 15 per cent. For anyone earning \$45,000 or more, that is worth about \$268 this financial year, rising to roughly \$536 next year. A further cut, to 14 per cent, is legislated to follow on 1 July 2027.

Your annual tax saving, by year (for someone earning \$45,000 or more)



Income year	Lowest rate	Saving*
2025-26	16%	—
2026-27	15%	\$268
2027-28	14%	\$536

\*Saving versus 2025-26. The lowest rate falls again to 14% from 1 July 2027.

### 2 Minimum wage increase

The national minimum wage rises 4.75 per cent to \$26.44 an hour. A full-time minimum-wage worker on a 38-hour week now earns about \$1,004.90 a week, up from \$948 — the first time the weekly minimum has passed \$1,000. It applies from the first full pay period on or after 1 July 2026.

### 4 A new \$1,000 standard work-expense deduction

From the 2026-27 year you can choose an automatic \$1,000 deduction for work-related expenses instead of keeping receipts and claiming the actual amount. If your genuine work expenses already come to more than \$1,000, you can still claim the actual cost in the usual way — you choose at lodgement. Other deductions, such as donations and income-protection premiums, are unaffected. It first applies to the 2026-27 return you lodge from July 2027.

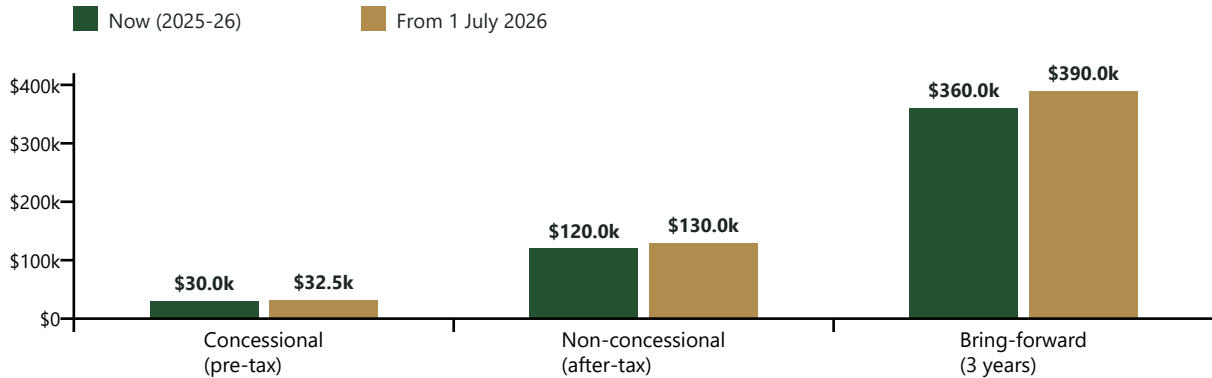
### 6 Higher Medicare levy surcharge thresholds

The income thresholds for the Medicare levy surcharge increase, so a single person can now earn up to \$105,000 (and families more) before the surcharge applies. That gives higher earners without private hospital cover a little more room before the extra 1–1.5 per cent tax kicks in.

## Superannuation

### 3 Higher contribution caps

The amount you can contribute to super at the concessional 15 per cent rate rises from \$30,000 to \$32,500 a year. The non-concessional (after-tax) cap lifts from \$120,000 to \$130,000, and the three-year bring-forward limit rises from \$360,000 to \$390,000. Remember that compulsory employer contributions count towards the concessional cap, so high earners have a little less room for salary sacrifice than the headline figure suggests.



Annual contribution caps, 2025-26 versus 2026-27.

## 7 Payday super begins

Employers previously had to pay super only quarterly. From 1 July 2026 your super must reach your fund within seven business days of each payday, alongside your wages (a longer 20-day window applies for new employees). Money arriving sooner has more time to compound — over a career that can add up to a meaningful difference at retirement.

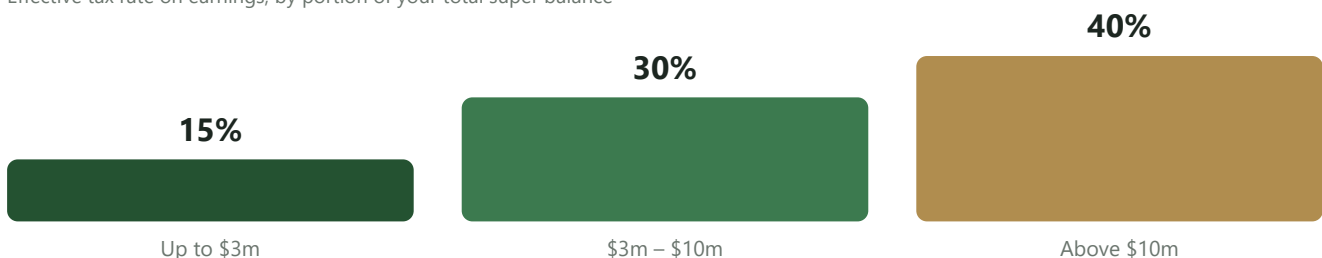
## 8 Transfer balance cap rises to \$2.1 million

The amount of super you can move tax-free into the retirement (pension) phase increases from \$2 million to \$2.1 million. The full \$2.1 million applies if you start a retirement-phase pension for the first time from 1 July 2026. If you began a pension earlier, your personal cap stays between \$1.6 million and \$2 million, depending on when you started and how much you transferred.

## 9 Division 296 tax on very large balances

From 1 July 2026, earnings on the portion of a total super balance above \$3 million face an extra 15 per cent tax under the new Division 296 measure — lifting the effective rate on those earnings to about 30 per cent, and to around 40 per cent on earnings above \$10 million. It applies to realised earnings, and the \$3 million and \$10 million thresholds are indexed. This affects only a small number of people, but the rules are complex, so please talk to us if you may be near the threshold.

Effective tax rate on earnings, by portion of your total super balance



## Families

### 5 More paid parental leave

Government paid parental leave increases from 24 to 26 weeks (130 days) for a child born or adopted on or after 1 July 2026, with four weeks now reserved for each parent on a 'use it or lose it' basis. Super is also now paid on government parental leave, helping close the retirement-savings gap for parents who take time out of work.

## If you run a business

### 10 A permanent \$20,000 instant asset write-off

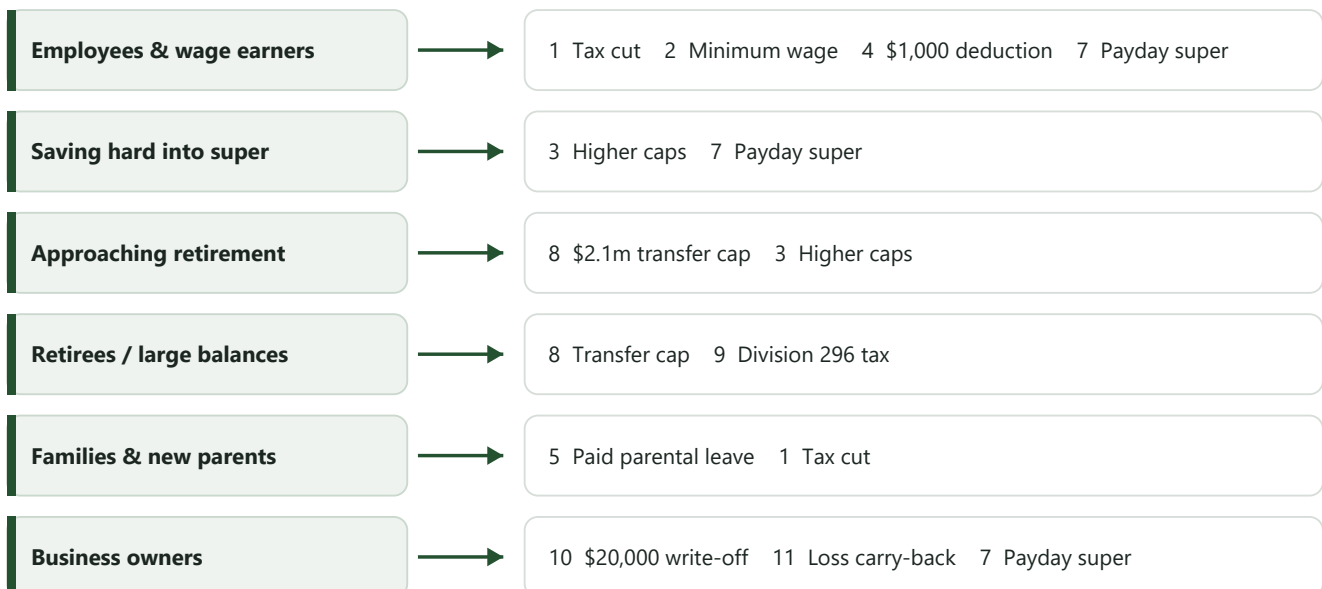
The small-business instant asset write-off is now permanent and set at \$20,000. Businesses with turnover under \$10 million a year can immediately deduct the business portion of an asset costing up to \$20,000, for multiple assets, new or second-hand, provided each is first used or installed ready for use this financial year.

### 11 The loss carry-back offset returns

The loss carry-back tax offset is back. From 1 July, companies with turnover under \$1 billion can offset a tax loss against tax paid in the previous two financial years, rather than only carrying losses forward to offset future profits — potentially freeing up cash when a profitable business has a tougher year.

## Which changes affect you?

A quick guide to where you'll feel the impact — most people sit in more than one group.



## Key dates



## What this could mean for you

If you're...	What's worth doing
A salary earner	Check the tax cut and surcharge threshold against your savings or salary-sacrifice plan.
Building super	Higher caps and payday super make this a good year to revisit how much you contribute.
A retiree or near it	The higher transfer balance cap and Division 296 make timing and structure more important.
A business owner	The permanent write-off and loss carry-back can change the timing of purchases and tax planning.
A new or expecting parent	More paid leave, plus super on that leave, is worth factoring into your plans.

### We are here to help

Not sure how these changes apply to your situation? That is exactly what we are here for. We can look at your tax, super and cash flow together and make sure you are making the most of the new rules.

Book a complimentary chat with us, or call the office on 0478 745 533.

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