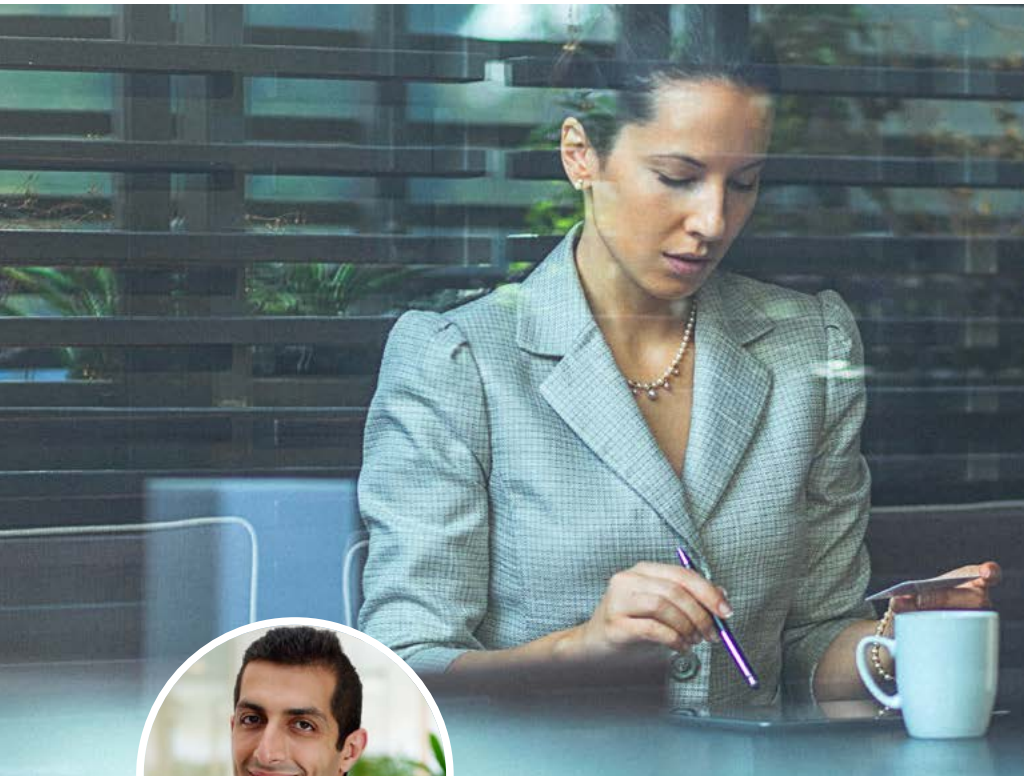




# PINNACLE Newsletter



## VIEW FROM THE PEAK

Amir Rodnia, FINANCIAL ADVISER

Like all Australians, we're deeply concerned for the innocent civilians caught in the escalating Middle East conflict, which has also disrupted vital oil routes and driven petrol prices higher across the country. The impact of potential fuel shortages and higher petrol prices will no doubt add to the cost-of-living pressures many Australians are already experiencing.

The heightened global uncertainty has also triggered volatility and downturns across international money markets. While this can be unsettling, history shows markets typically stabilise once clarity returns.

Our guidance is simple: stay disciplined, avoid reactive decisions, and remember that well-diversified portfolios are resilient – the markets will recover. If you're concerned about your superannuation and investments, please reach out to our Financial Advisers for further advice.

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Framed | Cheryl Fitzsimon

## Our first Payday Super tip: Pay Q4 super contributions before 30 June 2026.

If you run a business that employs staff and pays their super contributions every quarter (you know, that 12% of their wages), then we hope you're well aware that Payday Super is coming on 01 July 2026 as the new legal requirement for how and when to pay employees' super.

In short, you'll no longer pay employee super quarterly towards the end of January, April, July and October. Super must now be paid at the same time as you pay your workers their salary and wages, and those contributions must reach their super funds within seven business days of payday.

Our first Payday Super tip – and it's an effective EOFY tax planning tip too – is to pay your employees' April to June 2026 super contributions in mid-June. Your business will gain a tax deduction in the current financial year, and you'll start the Payday Super regime with a clean slate – therefore no concerns whether your Q4 might be subject to Payday Super penalties if paid on the scheduled 28 July 2026.

If you want to know more about Payday Super for your business, head to the Blog section of our website at [peakpartnership.com.au](http://peakpartnership.com.au) to check out our helpful video and download our Payday Super fact sheet.

*Helpful shortcuts or costly trap?*

# ARTIFICIAL INTELLIGENCE.

As a business owner or investor, time is always tight. So it's no surprise many people now turn to AI tools like ChatGPT for quick answers on tax deductions, super contributions or structuring ideas. The responses sound confident, arrive instantly and cost nothing. What could go wrong? Plenty.

The Australian tax and super system is complex, very fact-specific and constantly changing. While AI can be a useful starting point, relying on it for decisions can expose you to audits, penalties and poor financial outcomes.

## WHERE AI CAN HELP (AND WHERE IT CAN'T)

AI is quite good at explaining basic concepts in plain English. It can help you understand what "negative gearing" means, outline the difference between concessional and non-concessional super contributions, or prompt you to think about record-keeping. Used this way, it can save time and help you ask better questions.

The problem starts when AI moves from explaining concepts to giving "advice".

Tax and super outcomes depend on your specific facts: your income levels, business structure, age, residency status, assets, timing and future plans. AI does not know these details unless you provide them – and you generally shouldn't. Even then, it cannot exercise judgement or balance competing risks the way an experienced adviser can.

## THE ACCURACY RISK: CONFIDENT, BUT WRONG

AI tools are known to "hallucinate" – that is, provide answers that sound authoritative but are incorrect or incomplete. In practice, this can mean:

- claiming deductions that don't apply to your circumstances.
- miscalculating capital gains tax or ignoring integrity rules.
- suggesting super strategies that breach contribution caps or eligibility rules.
- quoting legislation, cases and rulings or concessions that don't exist or are out of date.

These errors are rarely obvious to a non-expert, but they are normally obvious to the ATO, courts and experienced advisers.

At a recent Administrative Review Tribunal case, a taxpayer appeared to rely on AI tools to identify cases which supported his argument, but this approach was shot down by the Tribunal on the basis that some of the cases didn't exist and others were simply not relevant to the matter being considered.

If the person using the AI tool doesn't verify the existence of the cases provided by the tool and read them to ensure their relevance then "the Tribunal's resources are being wasted, as the Tribunal must look for cases that don't exist and read cases that have no relevance at all".

## ATO SCRUTINY IS INCREASING, NOT DECREASING

The ATO isn't anti-AI – they use it internally for fraud detection and analytics. But for you? The ATO's misinformation guide makes it clear that AI tools can provide false, inaccurate, incomplete or outdated information. The ATO's message is to verify everything, or face the music. Surveys reveal 64% of businesses seek AI accounting help first, only for pros to unscramble the mess – wasting time and money.

When something is wrong, the ATO will generally amend the return, charge interest and may apply penalties – even if the mistake came from AI advice rather than intent.

We are seeing this play out most clearly with work-from-home claims, property deductions and SMSF compliance.

## SUPERANNUATION: HIGH STAKES, LITTLE MARGIN FOR ERROR

Super is an area where AI advice can be particularly dangerous. Self-managed super funds, in particular, operate under strict rules. AI often overlooks key issues such as eligibility, timing, purpose tests and investment restrictions.

The result can be non-compliance, forced unwinding of transactions and penalties that run into thousands of dollars. Super mistakes can also permanently damage your retirement savings.

*...continued on page 7*

# Downsizer contributions and the Main Residence Exemption.



## DOWNSIZER RULES AT A GLANCE

You must be aged 55 or older to contribute.

Maximum amount into super is \$300,000 per person or \$600,000 per couple.

The home must be in Australia and owned for at least 10 years.

The home must be exempt from CGT under the Main Residence Exemption.

When individuals sell a long-held family home, they may be able to channel part of the sale proceeds into superannuation by using the downsizer contribution rules.

### BASIC ELIGIBILITY CONDITIONS

To qualify, the home seller must meet a number of conditions:

- they must have reached the eligible age of 55 years (at the time of making the contribution).
- the eligible dwelling must be located in Australia and have been owned for at least 10 years.
- the disposal of the dwelling must be exempt from CGT under the main residence exemption to some extent (full exemption not required).
- the contribution must be made within 90 days of settlement, and an election form must be lodged with the fund no later than when the contribution is received.

The downsizer contribution can only be used once per individual and is limited to the lesser of the gross sale proceeds or \$300,000 per person.

### DOES THE SALE NEED TO BE FULLY CGT-EXEMPT?

A common question is whether the sale must be fully exempt as the main residence. Importantly, a full exemption is not required.

Even if only part of the capital gain is exempt under main residence rules, the

property may still qualify — provided all other conditions are met.

### IS THE PROPERTY REQUIRED TO BE THE MAIN RESIDENCE AT SALE?

Equally important: the property does not need to be the seller's principal residence at the time of sale.

Living in the property for some years and renting it out later does not disqualify it, as long as the ownership and residence history supports at least a partial main residence exemption.

### SPECIAL RULES FOR PRE-CGT PROPERTIES

Where a property was acquired before CGT began, the rules look at whether part of the gain would have been disregarded had CGT applied.

A key requirement is that there is a dwelling that qualifies as the main residence.

Disposal of vacant land will generally not satisfy the test and therefore will not meet downsizer requirements.

### ELIGIBILITY OF A NON-OWNING SPOUSE

It is common for only one spouse to be listed on the property title.

A non-owning spouse may still qualify for a downsizer contribution if all other requirements are met, apart from ownership.

However, a spouse who never lived in the property and could not reasonably have treated it as their main residence is unlikely to be eligible.

### PRESERVATION AND ACCESS TO FUNDS

A downsizer contribution is subject to the standard preservation rules. Once contributed, the amount cannot be accessed until:

- you reach preservation age (60) and retire, or
- you reach age 65, regardless of retirement status.

Consider future cash-flow needs before making the contribution.

### BEFORE YOU CONTRIBUTE

Although downsizer contributions to super seem straightforward, there are several nuances involved.

If you're at that stage of life where you're considering downsizing your home, feel free to reach out to us to discuss the best use for your newfound cash.

# Fringe Benefits Tax. What's the latest?

In our last edition of The Pinnacle, we addressed the issue of dual cab utes for business and the misconception that they are automatically exempt from Fringe Benefits Tax (FBT).

With the current Fringe Benefits Tax year approaching on 31 March, now is a great time to know what's happening in the area of FBT. Again, the topic of focus is the provision of commercial-type vehicles in your business for both owners and employees.

## LARGE UTES AND TRUCKS: NOT ALWAYS EXEMPT UNDER THE ATO'S SAFE HARBOUR RULES (PCG 2018/3)

Many employers assume that all utes, trucks, and workhorse-style vehicles are automatically exempt from Fringe Benefits Tax (FBT).

However, under the ATO's safe harbour guidelines in PCG 2018/3, an FBT exemption only applies when all specific conditions are met. This means not every commercial-type vehicle – and not every pattern of use – qualifies for the exemption.

## THE ATO'S FOCUS ON UTES IN 2026

The ATO has made it clear that utes are a compliance focus this year, and we have already seen active reviews underway. The ATO is also reviewing social media posts, including cases where work utes have been spotted at Fraser Island (K'gari) and other popular holiday locations. With FBT taxed at 47%, errors can lead to significant tax liabilities.

## SAFE HARBOUR CONDITIONS UNDER PCG 2018/3

- Eligible vehicle – The employer provides an eligible vehicle to a current employee.
- Business-related use – The vehicle is provided for work duties.
- Value under LCT threshold – The vehicle's GST-inclusive value at purchase is below the Luxury Car Tax (LCT) threshold.
- Not salary packaged – The vehicle is not part of a salary packaging arrangement.
- Private use strictly limited – Employer has a written policy limiting private use and receives employee confirmation.
- Home-to-work travel limits – Travel between home and work must not add more than 2 km to the usual route.
- Strict private travel limits – Private trips must not exceed 1,000 km annually or any single return trip over 200 km.

## EXCEEDING THE LUXURY CAR TAX THRESHOLD

A vehicle with a GST-inclusive value above the Luxury Car Tax (LCT) threshold at acquisition is automatically excluded from PCG 2018/3.

### 2026 LUXURY CAR TAX THRESHOLDS:

- Fuel-efficient vehicles: \$91,387.
- Other vehicles: \$80,567.

### COMMON VEHICLES UNDER ATO SCRUTINY:

- Dual-cab utility vehicles.
- RAM, Chevrolet and other extra-large trucks.
- High-performance or high-value utility vehicles.

## IS THE EXEMPTION STILL POSSIBLE FOR LARGE VEHICLES WITH GREATER THAN 1 TONNE CAPACITY?

Yes — in some cases. Even if a vehicle cannot use the safe harbour guidelines because it exceeds the LCT threshold, this does not automatically mean the FBT exemption is unavailable. If you believe this situation applies to you, contact your Business Adviser at The Peak Partnership.

## RECOMMENDED ACTIONS FOR EMPLOYERS

- Maintain a written vehicle-use policy restricting private use and outlining business-related use.
- Request employees complete an annual statutory declaration confirming compliance and actual business use.
- Require employees to keep a detailed logbook showing business use to support exemption or reduce FBT exposure.
- Review all your vehicles in your business fleet in March every year, update and maintain a list of current drivers for all of them (take special note for cars that may have been reallocated between employees, or previously driven by ex-employees).



## SUMMARY

Utes and trucks are a significant ATO focus in 2026, and many commonly used vehicles do not fit neatly within the safe harbour rules. With the ATO actively monitoring social media and targeting high-value vehicles, employers must ensure strong policies, statutory declarations, and logbooks are in place to manage the high compliance risk associated with the 47% FBT tax rate.

At the Peak Partnership, we're here to help you understand what is a very complex area of Australian Taxation Law, so feel free to contact your Business Adviser on (07) 3360 9888 or email us at [email@peakpartnership.com.au](mailto:email@peakpartnership.com.au).

# Electric Car Discounts under review.

## What it means for your business.

Electric vehicles (EVs) are no longer a niche choice. By late 2025, they accounted for more than 8% of new car sales in Australia, driven in no small part by generous tax incentives. One of the most significant is the Federal Government's Electric Car Discount, introduced in mid-2022. For many businesses and employees, it has materially reduced the cost of owning or leasing an EV.

That said, the rules are now under review. While no immediate changes are proposed, this is an important moment to understand the benefits, assess whether they suit your circumstances, and consider timing.

### How the Electric Car Discount works (in Plain English)

The discount is not a cash rebate. Instead, it operates through tax concessions that can significantly reduce the cost of an EV:

#### 01. Fringe Benefits Tax (FBT) exemption

Where an eligible EV is provided to an employee as a fringe benefit, private use is exempt from FBT. This is often the biggest saving. Without the exemption, FBT is effectively charged at up to 47%. For many employees, the exemption can reduce the annual after-tax cost of a vehicle by thousands of dollars.

##### Important points:

- The exemption applies to battery electric vehicles and hydrogen fuel cell vehicles.
- Plug-in hybrid vehicles lost eligibility for new arrangements from 01 April 2025.



- The car must be first held and used after 01 July 2022 and be below the luxury car tax threshold at first purchase.

#### 02. Higher luxury car tax (LCT) threshold

Fuel-efficient vehicles, including EVs, benefit from a higher LCT threshold (\$91,387 for 2025–26, compared to \$76,950 for other cars). This can prevent the 33% luxury car tax applying to part of the purchase price.

#### 03. Reduced import costs

Certain EVs are also exempt from the 5% customs duty, reducing upfront acquisition costs. Commercially, these settings have made EVs very competitive. Lower running costs (electricity versus fuel, fewer servicing requirements) and solid resale values

have strengthened the business case, particularly for salary packaging and small fleets.

### Why the Government is reviewing the rules

A statutory review of the Electric Car Discount has now commenced. The key reason is cost. Uptake has exceeded expectations, and the projected cost to the Budget has increased significantly over the forward estimates.

##### The review will examine:

- if the concession is still required to encourage EV adoption.
- whether eligibility settings should be tightened (for example, limiting benefits to certain vehicle types or price points).
- how the discount interacts with other policies, such as the National Vehicle Emissions Standard commencing in 2025.

Public consultation is underway, with a final report not due until mid-2027. Importantly, there is no suggestion of immediate changes, and any reforms are more likely to be prospective.

### Practical takeaways for business owners and employees

While uncertainty always creates hesitation, the current rules are clear and legislated. From a practical perspective:

- now is a good time to review fleet or salary packaging arrangements, particularly if you are considering replacing a vehicle in the next 12–24 months.
- existing arrangements are expected to be grandfathered, reducing the risk of retrospective changes (although we can't guarantee this).
- ensure vehicles are clearly under the LCT threshold at first purchase and meet all eligibility criteria if you want to access the FBT exemption.
- check the tax treatment of charging infrastructure provided in connection with an eligible EV, this won't necessarily qualify for an FBT exemption.

### Final thought

The Electric Car Discount remains one of the most valuable concessions available for employee vehicles. While a review means longer-term uncertainty, the commercial reality is that EVs can deliver genuine tax and cash-flow savings when structured correctly.

If you are considering an EV – either personally or through your business – now is the right time to run the numbers and to reach out to us for advice about an EV strategy for you and your business.

# Director Penalty Notice Review:

A wake-up call for business owners on personal tax risks.



RUNNING A SUCCESSFUL BUSINESS IS HARD WORK – and sometimes, despite best intentions, tax obligations slip. If the business is being operated through a company structure, then the ATO can potentially issue a Director Penalty Notice (DPN), holding company directors personally liable for unpaid taxes.

In 2024-2025, DPNs skyrocketed by 136%, reaching over 84,000 notices, affecting directors of around 64,000 companies. The stakes are high, and now the Tax Ombudsman is reviewing how the ATO issues and manages these notices – a development all directors should take seriously.

So, what exactly is a DPN? Put simply, if your company fails to pay certain taxes – like PAYG withholding, GST, or Superannuation Guarantee Charge (SGC) – the ATO can target directors personally. There are two types:

- **NON-LOCKDOWN DPNs:** These apply if the company has lodged its activity statements or SGC statements but hasn't made the relevant payments. In this case directors have 21 days to take appropriate action, such as arranging for payment of the debt, appointing an administrator, or entering liquidation. Acting promptly may allow the penalty to be remitted.
- **LOCKDOWN DPNs:** These apply if reporting deadlines are missed as well. In this scenario directors can't avoid personal liability by putting the company into administration or liquidation.

The intent is to protect government revenue and employee entitlements – but for directors, the impact can be severe.

## WHY THE OMBUDSMAN IS INVOLVED

The review, announced in December 2025 by Tax Ombudsman Ruth Owen, responds to a surge in complaints, with DPNs topping the list. It will examine:

- how effectively the ATO uses DPNs to recover debts (\$54.2 billion in collectable amounts by mid-2025).
- the fairness of selecting cases for enforcement.
- how directors are notified and communicated with.
- treatment of vulnerable directors, including those coerced into roles or facing financial abuse.

The review also aligns with broader government initiatives, including support for gender-based violence survivors and more empathetic engagement with business owners. While timelines are flexible due to resources, the review is part of the 2025-2026 work plan, alongside assessments of ATO services for agents, First Nations engagement, and interest charge remissions.

## COMMERCIAL TAKEAWAYS FOR DIRECTORS

DPNs are more than a compliance issue – they're a real commercial risk. Ignoring a notice can disrupt personal finances, damage credit ratings, and even trigger bankruptcy.

At the same time, the Ombudsman review could improve transparency and fairness, giving directors a clearer understanding of options if financial stress arises.

## PRACTICAL STEPS TO PROTECT YOURSELF NOW

- Stay on top of obligations: make sure the company lodges returns and pays liabilities on time.
- Lodge statements even if payment isn't possible: Failing to lodge activity statements just makes things worse.
- Consider using ATO payment plans if cash flow is tight but remember that this won't necessarily enable directors to escape personal liability if a DPN has been issued already.
- Monitor company cash flow and tax health closely, especially during economic dips.
- Act fast if you receive a DPN: Consult immediately your accountant or lawyer to explore options because strict deadlines might apply.
- Consider director insurance or business structuring to limit personal exposure – but compliance always comes first.

The Ombudsman's review is a timely reminder: tax is a key business risk, not just paperwork. Being informed, proactive, and prepared can protect both your business and your personal assets.

If you're concerned about DPN exposure, reach out to our Business and Accounting Advisers for a tailored review – we can help you stay ahead of risk, so your business thrives rather than just survives.

# Beware of pump and dump investment schemes.

Late 2025 saw a concerning surge in “pump and dump” schemes targeting Australian investors, with ASIC reporting a notable rise in complaints to the regulator. If you’ve been active in the markets recently, particularly with small-cap stocks, you need to be aware of these increasingly clever scams that could cost you thousands.

Pump and dump operators artificially inflate share prices through false rumours and misleading information, then sell their own holdings at the peak, leaving unsuspecting investors with worthless shares.

These schemes specifically target small-cap securities with low liquidity because even minor announcements can dramatically impact their share prices.

Scammers typically identify thinly traded stocks, then flood social media platforms, online forums and messaging apps with false information designed to create excitement and urgency around the investment.

They might use fake celebrity endorsements, paid advertisements that appear high in search results, or coordinate multiple “influencer” endorsements to create the illusion of genuine market buzz.

## WARNING SIGNS TO WATCH FOR

Several red flags should immediately raise your suspicions:

- unsolicited marketing creating urgency around specific investments;

- sudden rushes of commentary about little-known investments across multiple forums;
- social media advertisements directing you to private chat groups;
- fake celebrity endorsements or testimonials;
- strange market behaviour, such as sudden price spikes in typically stable investments; and
- claims of “inside information” or “guaranteed returns”.

Before making any investment decision, especially in small-cap stocks, take time to verify the information independently. Check the company’s official announcements, research its financial position and be particularly wary of investments promoted through social media or unsolicited communications.

If you suspect you’ve encountered a pump and dump scheme, report it immediately to Scamwatch, the ATO or ReportCyber. Quick reporting can help protect other investors and assist authorities in their investigations.

... PUMP AND DUMP  
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*Helpful shortcuts or costly trap?*

# ARTIFICIAL INTELLIGENCE.

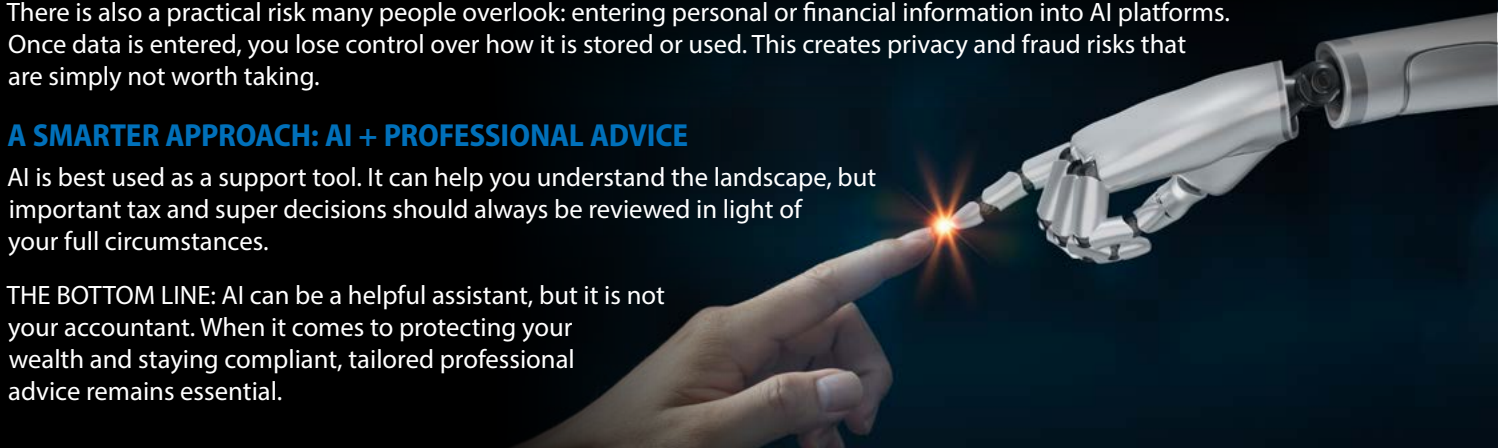
## DATA SECURITY AND PRIVACY

There is also a practical risk many people overlook: entering personal or financial information into AI platforms. Once data is entered, you lose control over how it is stored or used. This creates privacy and fraud risks that are simply not worth taking.

## A SMARTER APPROACH: AI + PROFESSIONAL ADVICE

AI is best used as a support tool. It can help you understand the landscape, but important tax and super decisions should always be reviewed in light of your full circumstances.

THE BOTTOM LINE: AI can be a helpful assistant, but it is not your accountant. When it comes to protecting your wealth and staying compliant, tailored professional advice remains essential.



# FRAMED | CHERYL FITZSIMON.

Cheryl Fitzsimon, our ever-reliable and efficient Practice Manager, celebrated an amazing 25 years at The Peak Partnership on 05 March 2026!

For quarter of a century now, Cheryl has played a vital role in the day-to-day running of The Peak office. Her "job description" covers everything from internal accounting, HR management, IT problem-solving, working with our office property managers...and a whole lot more. It's not uncommon for Cheryl to be managing multiple projects and tasks at once, with the occasional line-up of staff at her door in desperate need of help, advice, wisdom and mothering.

Cheryl has a Certificate IV in Business and a Diploma in Front Line Management, plus the skill-set and work ethic of a great office all-rounder (all much-needed attributes to manage her hectic schedule).

When we asked her about working life at The Peak, Cheryl said, "It's great to work where there is a fantastic culture. I am constantly challenged in my role and I enjoy making sure everything runs smoothly." Well said Cheryl, and a very big thank you for everything you do!



## INTERNATIONAL WOMEN'S DAY 2026

### We celebrated...

They say three years makes it a tradition, so it's now a tradition for our senior women to celebrate International Women's Day at the annual Act for Kids charity lunch.

Our team joined 230 ladies (and a few men) at The Calile Hotel on Wednesday, 04 March to celebrate the achievements and challenges of the female gender – with an exceptional panel discussion to delve into the theme of "Give to Gain".

The panel featured, Kay McGrath OAM, business entrepreneur Maxine Horne, fitness guru Chontel Duncan and Brisbane fashion icon, Samantha Ogilvie.

The theme was very pertinent too, with so many guests giving generously throughout the lunch to support Act for Kids – one of our long-term charity partners of choice.



### ...and we ran.

Then on Sunday, 08 March (the 'official' International Women's Day) a bunch of our people took on the Mater Foundation's Chicks in Pink Fun Run for breast cancer.

Under the banner of **The Pink Partnership** for the day, some of us ran and some walked the 5km course to help raise money for those brave women dealing with breast cancer, as well as continuing research towards enhanced treatment and a cure.

The wet weather didn't dampen our spirits; undeterred we marched on across the Story Bridge – with the occasional photo op stop – but more importantly, The Pink Partnership raised \$1,415 for another worthy cause.

We'd like to give a big shout out to all the friends, family and clients who supported us and donated generously!



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Learn more at [www.peakpartnership.com.au](http://www.peakpartnership.com.au)