RJC EVANS & Co
News
RJC EVANS & Co
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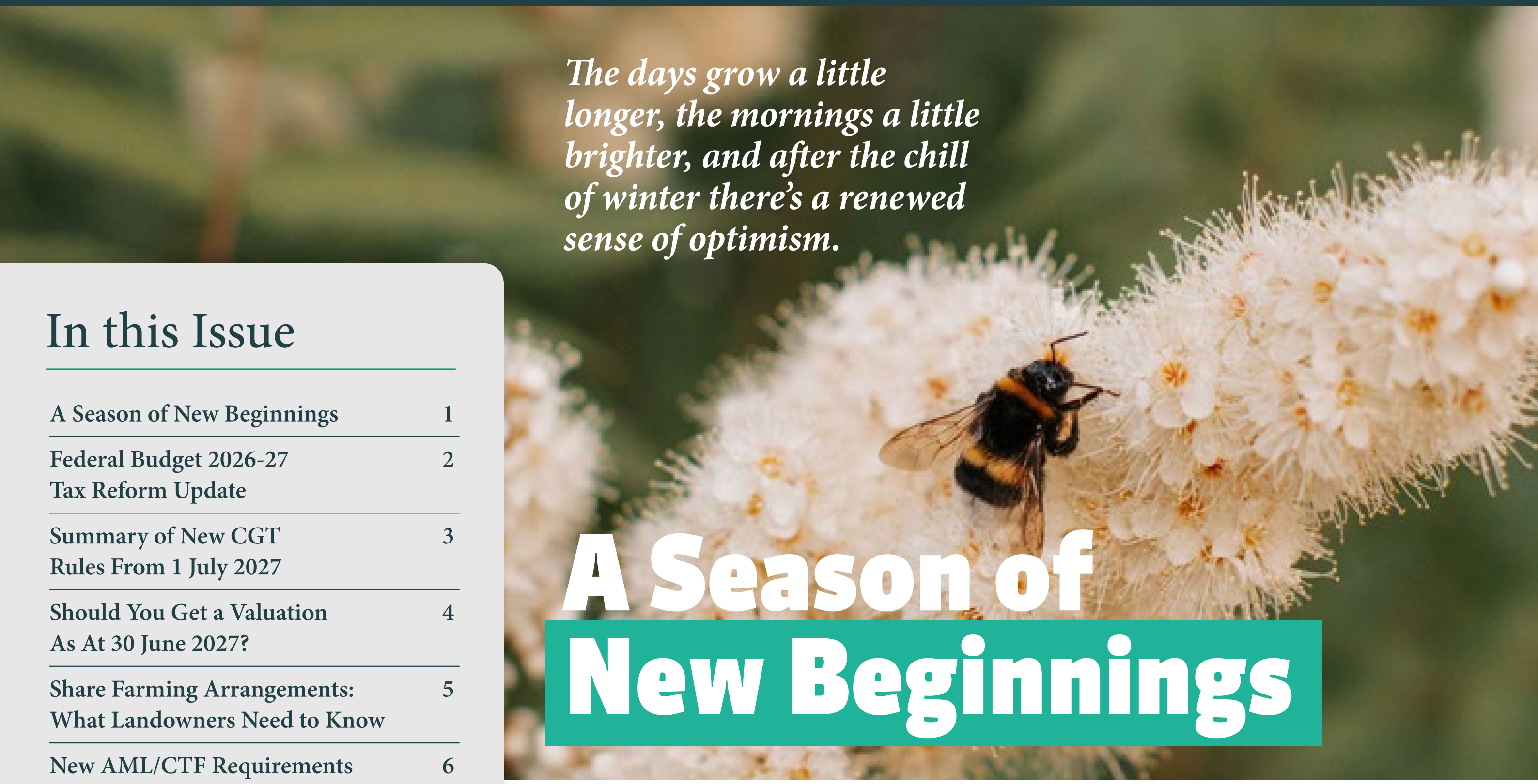

The days grow a little longer, the mornings a little brighter, and after the chill of winter there's a renewed sense of optimism.

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Contact

RJC Evans & Co Pty Ltd
ABN 40 007 804 220
116 Greenhill Road
Unley SA 5061

T: (08) 8272 2500
F: (08) 8271 1853
E: rjcevans@rjcevans.com.au
W: www.rjcevans.com.au

/RJCEvansandCo

A Season of New Beginnings

Across our region the landscape begins to change, gardens burst back into life, and for many of our farming clients the paddocks are showing the promise of another season ahead.

Of course, spring isn't just about what happens on the land. For local businesses, families and individuals, it's often a time to dust off plans that have been sitting on the shelf, tackle projects that have been waiting for warmer weather, and look ahead to what the rest of the year might bring.

It's a timely reminder that progress rarely happens by chance. Whether you're growing crops, growing a business or simply working towards personal financial goals, success is usually the result of good planning, sound advice and a willingness to adapt when circumstances change.

At RJC Evans & Co, we enjoy helping clients navigate those changes. Some are making decisions about their business, others are planning for retirement, investing for the future or simply wanting the reassurance that they're on the right track. Every client's journey is different, but the satisfaction of helping people achieve their goals is something we all share.

Spring also reminds us to pause and appreciate the little things—a burst of colour in the garden, the sound of lambs in the paddock, the return of sunshine after a cold week, or simply enjoying a coffee outdoors without needing three layers of clothing!

Thank you for continuing to place your trust in our team. We value the relationships we've built with so many families, farmers and businesses throughout our community, and we look forward to helping you make the most of the opportunities the season brings.

Wishing you a wonderful spring—and may the warmer weather arrive just in time for the weekend.

RJC EVANS & Co

Federal Budget 2026-27

Tax Reform Update

The 2026-27 Federal Budget represents the most significant overhaul of Australia's investment tax system in more than 25 years.

The 2026-27 Federal Budget delivered significant reforms affecting investors, business owners, self-managed superannuation fund (SMSF) trustees and individual taxpayers.

While a number of measures have already commenced, several of the most significant changes, particularly those affecting capital gains tax (CGT), negative gearing and discretionary trusts, will take effect over the coming years. The summary below outlines the current status of the key announced reforms and highlights the areas where further guidance is still expected.

Legislated and Commenced

From 1 July 2026:

- 2-year business loss carry-back provisions have been reintroduced for companies with turnover less than $1b.
- $20,000 Instant Asset Write-Off (IAWO) made permanent for businesses with less than $10m turnover using simplified Depreciation rules.
- $1,000 Standard Deduction for work-related expenses in 2026/27 Tax Returns.

From 10 August 2026:

- Limited Recourse Borrowing Arrangements (LRBAs) for SMSFs limited to business real property. Residential property can no longer be acquired by an SMSF via an LRBA.

Legislated, however, Future Dated

From 1 July 2027:

- 50% CGT discount replaced by an inflation-indexed cost base methodology on capital gains accrued after 30 June 2027.
- A minimum 30% tax rate to apply to capital gains accrued after 30 June 2027.
- Pre-CGT assets subject to the new CGT regime on gains accrued after 30 June 2027.
- Negative gearing deductions restricted to properties purchased pre-budget or purchases of new residential premises (that are deemed to have added to housing supply).
- Working Australians Tax Offset (WATO) of up to $250 to apply in 2027/28 Tax Returns.

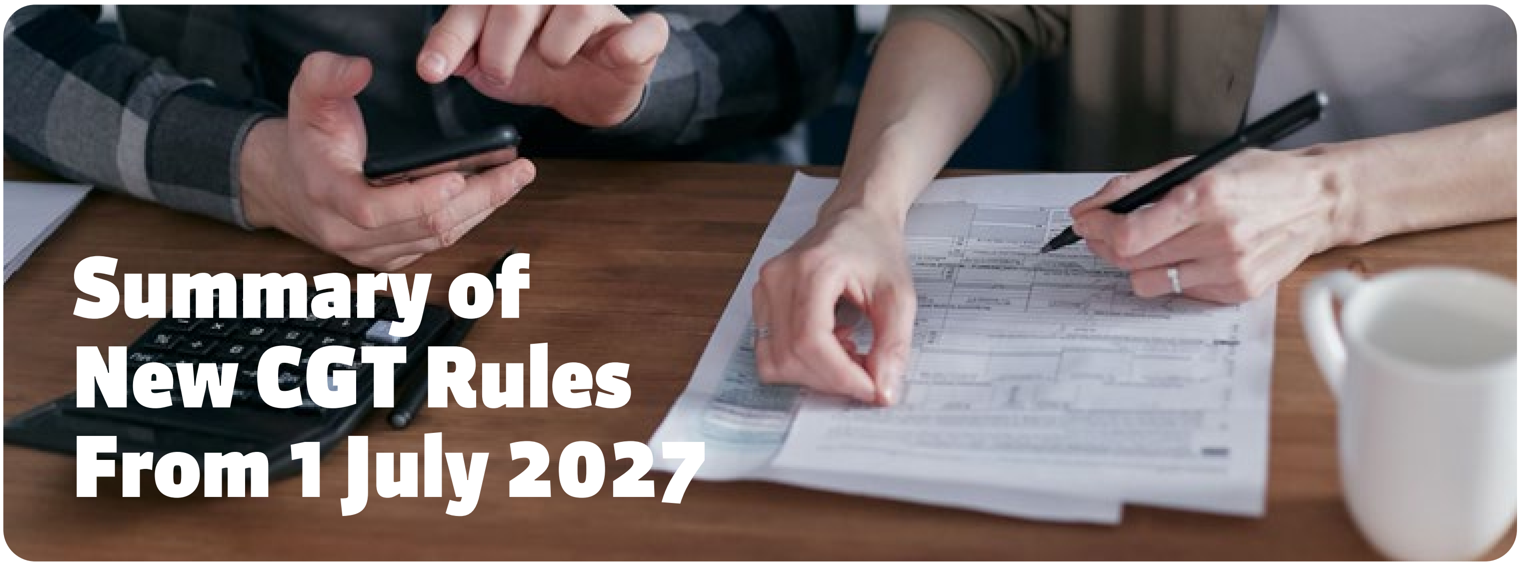
Announced, however, yet to be Legislated

- 30% minimum tax rate on discretionary trust income from 1 July 2028.
- Effective 51% tax on trust distributions made to corporate beneficiaries from 1 July 2028.
- Details of exemptions and restructuring relief under the proposed discretionary trust reforms.
- Definition of a non-discretionary legal structure – proposed to be ineligible for trust restructure rollover relief where resulting structure meets this definition.
- Definition of a qualifying new build for negative gearing purposes.
- Calculation and reporting requirements for indexed capital gains.
- Transitional treatment and valuation methodology for pre-CGT assets.
- Innovative Business CGT Concession - proposed to encourage investment in qualifying innovative Australian businesses.

Conclusion

The 2026-27 Federal Budget represents the most significant overhaul of Australia's investment tax system in more than 25 years. While some of the key measures have now been legislated, important commencement dates, transitional rules and practical guidance are still to come.

Clients are advised to be aware of the changes, however, hold off any wholesale changes to their arrangements until legislation is enacted and we have had the chance to determine how they will affect your situation specifically.



Summary of New CGT Rules From 1 July 2027

The proposed Capital Gains Tax (CGT) changes from 1 July 2027 will introduce a new framework that separates capital gains accrued before and after 30 June 2027.

While existing CGT concessions will generally continue to apply to gains accumulated up to 30 June 2027, future gains after the date will be taxed under a CPI. Understanding these changes will be important for investors and asset owners when considering future tax outcomes and investment strategies.

Period 1

From the date of purchase up to and including 30/06/2027

During this period, the existing CGT rules will continue to apply. If an asset was purchased pre 19/09/1985 (pre-CGT), any gains up to 30/06/2027 will remain exempt.

Assets purchased after 19/09/1985 will still be able to claim the CGT 50% discount if that has been applicable to them.

As of 30/06/2027, all assets will be deemed to be sold at market value on that date. This gain after the 50% discount will then be quarantined and taxed at the taxpayer's tax rate when a future disposal occurs.

Period 2

From 01/07/2027 to the date of disposal

The market value of an asset as of 30/06/2027, and any improvements there-after, will be subject to CPI Indexation until the eventual sale. Any resulting capital gain after CPI indexation will be subject to a minimum 30% tax rate (without the CGT 50% CGT discount). Any resulting capital loss will not be subject to CPI indexation (i.e. losses are to be recognised on a nominal basis).

Purchase — **30/06/2027** — **Disposal**

After 30 June 2027 there will no longer be a choice how losses are applied and to which gains they are applied to. Losses are to be applied against discounted pre-30/06/2027 gains first, and CPI indexed gains thereafter.

An exception to these new rules will be new residential builds that increase housing supply. These assets will be able to choose to keep using the 50% discount method after 30/06/2027.

Should You Get a Valuation As At 30 June 2027?

Upcoming CGT Changes Make Asset Values More Important Than Ever.

The Government has legislated that, from 1 July 2027, the current 50% capital gains tax discount on future accrued gains will be replaced by an indexation-based approach. This means the value of assets as at 30 June 2027 will be a very important factor in determining the tax liability on an asset's eventual sale. For many property owners and business owners, this raises an important question: Should you obtain a formal independent valuation before 1 July 2027?

Why Valuations Matter?

Where an asset is held across a change in tax law, the value of that asset at the transition date can become critical. For listed shares, historical values are relatively easy to verify. However, for assets such as commercial property, rural land, shares in private companies, and businesses, establishing an accurate value years later can be difficult. A formal independent valuation obtained close to the relevant date may provide strong supporting evidence if the value is later questioned.

The Tax Office Will Have The Benefit Of Hindsight

One factor often overlooked by taxpayers is that any review or audit is likely to occur many years after the valuation date, when the asset is eventually sold. The Tax Office will therefore have the benefit of knowing the eventual sale price and the subsequent performance of the asset. A properly documented independent valuation prepared at the relevant time is often far more persuasive than attempting to reconstruct market conditions years later after the outcome is already known.

Property Owners

For many commercial and rural properties, future buyers, market conditions and economic events cannot be predicted. That is precisely why evidence prepared at the time can be so important.

Business Owners Face An Even Greater Challenge

Private businesses rarely have an observable market value. Unlike listed shares, there is no public market establishing a daily price. Business valuations often rely on historical earnings, industry multiples, asset values, growth expectations and commercial risks.

Does Everyone Need A Formal Independent Valuation?

Not necessarily. The decision should depend on the size of the potential capital gain, the size of the accrued capital gain to date, the nature of the asset, the availability of objective market evidence, and the cost of obtaining a valuation.

What Evidence Should Be Retained?

A formal valuation is often the strongest form of evidence, but it is not the only way of supporting a value adopted as at 30 June 2027. Where a formal valuation is not obtained, taxpayers should retain as much contemporaneous evidence as possible, including:

Residential, commercial and rural property:

- Recent appraisals/valuation reports
- Comparable sales evidence
- Rates notices
- Insurance policies and valuations
- Lease agreements
- Rental schedules
- Photographs
- Asset/improvement register (i.e. depreciation schedule)
- Development approvals

Businesses, Private companies and unit trusts:

- Financial statements
- Agreements & contracts (with lessor, suppliers, customers, employees)
- Customer and supplier data
- Business plans, budgets, forecasts
- Industry benchmark reports
- Comparable sales evidence
- Evidence of transactions involving similar interests

The key principle is to retain evidence created at or around 30 June 2027. The further removed a taxpayer is from the valuation date, the more difficult it may become to reconstruct market conditions and support the value adopted.

Alternative ATO Approach To A Formal Valuation

The Government plans to introduce an alternative to a market valuation as of 1 July 2027, using a formula-based apportionment method.

As of writing this newsletter, draft legislation has outlined this alternative calculation using a compounding backwards approach at the time of sale, where the sale price is worked backwards to establish a notional value as of 1 July 2027, based on an assumed uniform growth rate across your total ownership period. This legislation is draft only and may change while passing through Parliament. The Tax Office intends to supply a calculation tool to work this out.

What Should You Do?

The importance of a 30 June 2027 asset value will vary depending on the nature of the asset, the size of any potential capital gain and the availability of objective market evidence. Obtaining a formal valuation around 30 June 2027 may be worthwhile. For others, ensuring appropriate supporting evidence is gathered and retained or using the alternative approach may be sufficient.

Our office can assist with reviewing your assets, identifying the records that should be retained, establishing a record-keeping file and determining whether a formal valuation may be appropriate in your circumstances.

Share Farming Arrangements:

What Landowners Need to Know

Why Share Farming Matters

Share farming is a common arrangement, allowing landowners and farmers to work together and share in the results of a primary production enterprise. In the eyes of the Tax Office, share farmers are seen as farmers and business owners, whereas lessors are seen as investors. Being a farmer potentially results in eligibility for small business tax concessions, farm management deposits, 5-year income tax averaging, 25% corporate tax rate plus reduced vehicle registration fees.

It was also announced in the 2026-27 Federal Budget that the Government will seek to introduce a 30% minimum tax on discretionary trusts from 1 July 2028. However, primary production income is proposed to be explicitly carved out and exempt from this minimum tax rate.

Given the differing tax treatment, existing and proposed, it is important to understand the difference between a genuine share farming arrangement (Primary Production Income) and a simple lease (Non-Primary Production Income).

What Makes a Share Farming Arrangement?

A genuine share farming arrangement generally involves:

- A landowner providing land and infrastructure
- A farmer providing labour, machinery and farming expertise, and
- Both parties sharing in the produce, income or profits generated by the farming activities.

The key point is that both parties share in the success (or otherwise) of the farming operation.

By contrast, if a landowner simply allows someone else to use the land in return for a payment, the arrangement is more likely to be treated as a lease.

What Do the Courts Say?

The courts have traditionally taken a practical approach and often view share farming arrangements as similar to joint ventures.

Importantly, the courts recognise that both the landowner and the farmer can be carrying on separate farming businesses on the same property. The landowner may still be carrying on a farming business even if the farmer makes most of the day-to-day operational decisions. What matters is that the landowner is actively participating in the overall farming enterprise and sharing in its outcomes.

The Tax Office Takes a Stricter View

While the courts have adopted a broader interpretation, the Tax Office generally expects a higher level of involvement from the landowner.

When the Tax Office conducts a review, they look for evidence of the following:

- Involvement in management decisions
- Some control over farming activities
- Sharing in farming income or produce
- Providing labour or supervision, and
- Maintaining or improving farm infrastructure.

Simply paying rates, maintaining the property or discussing farming plans may not be enough.

In several private rulings, the Tax Office has concluded that landowners were not carrying on a farming business, even where they contributed equipment, maintained improvements and received a share of crop proceeds.

Key Takeaway

Calling an arrangement a "share farming agreement" does not make it one.

For landowners, the most important factor is being able to demonstrate to the Tax Office a genuine involvement in the farming enterprise rather than simply receiving income from the land.

Given the potential impact on discretionary trusts and the minimum tax rate exemption for primary production income, it is worth reviewing existing arrangements to ensure they are structured appropriately.

A written agreement setting out the terms is also recommended.

From 1 July 2026

New AML/CTF Requirements

Our team is committed to making the process as straightforward as possible.

As of 1 July 2026, Australian accounting firms are required to comply with new Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) laws. As a result, we must verify the identity of our clients before providing certain designated services.

These requirements, which apply to both new and existing clients, are designed to help prevent money laundering, terrorism financing and other serious financial crimes.

What Are Designated Services?

Identity verification is required where we provide designated services under the AML/CTF legislation. These services include assisting clients with:

- Acting as, or arranging, a director, trustee, partner, nominee shareholder or company secretary.
- Buying, selling or transferring a business, company or real property.
- Establishing or restructuring companies, trusts, partnerships or other legal entities.
- Providing a registered office or business address for a company or other entity.
- Managing client money, securities, assets or trust accounts, or otherwise handling funds as part of a transaction.
- Raising capital or facilitating business equity or debt financing.

If your engagement includes one of these services, we will advise you if identity verification is required.

How The Verification Process Works

We have partnered with FirstAML, a secure identity verification platform used by accounting, legal and financial services firms.

If verification is required, you will receive a secure email from FirstAML on our behalf containing a link to complete the process online. We will advise you when to expect this email.

Depending on your circumstances, the FirstAML link may require you to:

- Confirm your personal details.
- Upload or take a photo of your driver's licence, passport or other identification document.
- Complete a quick biometric facial scan ("selfie") to confirm your identity.

The process usually only takes a few minutes to complete. If electronic verification is not suitable, please contact our office to discuss an alternative.

Thank You For Your Cooperation

These requirements now apply across the accounting profession, legal profession and real estate industry, similar to the identity checks you may have already completed with banks and other financial institutions.

Whilst we understand these additional steps may cause frustration, we appreciate your patience and cooperation in complying with these legal obligations. Our team is committed to making the process as straightforward as possible and are available to guide you through each step whenever verification is required.

Protecting Your Privacy

Your information is collected securely through FirstAML and will only be used to meet our legal obligations under the AML/CTF legislation. It is handled in accordance with applicable privacy laws and our Privacy Policy.

Working From Home?

Be Careful Claiming Occupancy Expenses

The Tax Office has recently highlighted concerns about incorrect claims for occupancy expenses as part of working-from-home deductions. Occupancy expenses include costs associated with owning or renting a home, such as rent, mortgage interest, council rates, and home insurance.

For most employees, these expenses are not deductible simply because they choose to work from home. Even where an employee lives a significant distance from their employer's office, occupancy expenses cannot generally be claimed if the employer provides an alternative workplace.

When Can Occupancy Expenses Be Claimed?

To be eligible, taxpayers must be able to demonstrate that:

- A dedicated area of their home is a genuine place of business.
- Their employer did not provide an alternative workplace.
- The nature of their work requires them to maintain a place of business from home.

The Tax Office notes that a home office is more likely to be considered a "place of business" where it:

- Is clearly identifiable as a business area.
- Is not readily used for private or domestic purposes.
- Is used exclusively or almost exclusively for work.
- Is regularly used for client or customer visits.

What This Means for Taxpayers

For those who do qualify, any claim for occupancy expenses must be claimed on a reasonable basis. A starting point is often the proportion of the home's floor area used as a place of business, the period it was used during the year, and the taxpayer's ownership or rental interest in the property.

There are also CGT consequences as a result of having part of your home as a place of business. Normally your main residence is exempt from CGT, however where part of your home is also a place of business, that portion will then be subject to CGT and no longer exempt.

Our Recommendation

Before claiming rent, mortgage interest, or other occupancy costs as a working-from-home deduction, ensure you meet the stricter eligibility requirements.

The Tax Office continues to scrutinise these claims, and incorrect deductions may lead to adjustments, penalties, or interest charges.

If you are unsure whether your home workspace qualifies as a place of business, please contact our team.

RJC EVANS & Co

RJC Evans & Co Pty Ltd
ABN 40 007 804 220
116 Greenhill Road UNLEY SA 5061

T: (08) 8272 2500 F: (08) 8271 1853
E: rjcevans@rjcevans.com.au
W: www.rjcevans.com.au

Tax Office Warning: Do Not Click The Attachment

The Tax Office has issued a warning about a new email scam targeting taxpayers and businesses.

The scam email claims that a Tax Office phone appointment has been scheduled and encourages the recipient to open an attachment to access appointment details or reschedule the meeting. The attachment contains a link to a fraudulent website designed to steal personal information and myGov login credentials.

What Does the Scam Look Like?

The email may appear legitimate and includes:

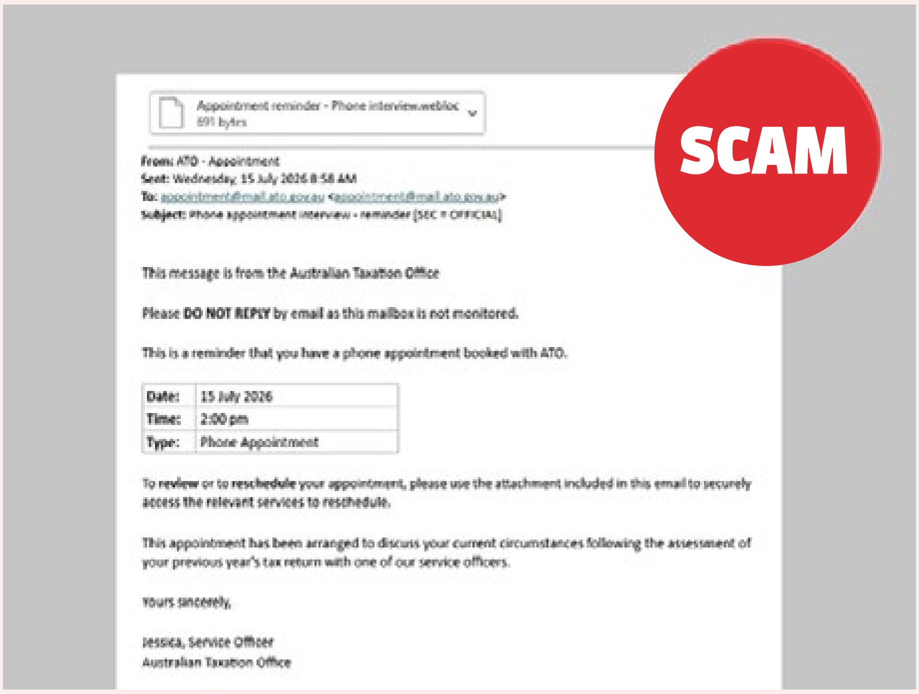
- Tax Office branding and logos
- A scheduled appointment date and time
- An attachment containing further details
- Requests to log in via a provided link

The Tax Office has confirmed it will never:

- Email an attachment containing a link to a myGov sign-in page
- Ask you to access Tax Office services through links in unsolicited emails
- Request your myGov username, password or security codes via email
- Direct you to a login page that is not hosted on an official myGov or ATO website.

When it comes to tax-related communications, a healthy level of scepticism can save a great deal of trouble. If an email seems unusual, unexpected or urgent, pause before clicking. A quick verification can help protect both your personal information and your business.

Need assistance? If you are unsure whether a tax-related communication is legitimate, contact our office before responding. We are happy to help you verify suspicious messages and keep your information secure.



Appointment reminder - Phone interview.weblox
691 bytes

From: ATO - Appointment
Sent: Wednesday, 15 July 2026 8:58 AM
To: appointment@mail.ato.gov.au <appointment@mail.ato.gov.au>
Subject: Phone appointment interview - reminder [SEC = OFFICIAL]

This message is from the Australian Taxation Office

Please **DO NOT REPLY** by email as this mailbox is not monitored.

This is a reminder that you have a phone appointment booked with ATO.

Date:	15 July 2026
Time:	2:00 pm
Type:	Phone Appointment

To **review** or to **reschedule** your appointment, please use the attachment included in this email to securely access the relevant services to reschedule.

This appointment has been arranged to discuss your current circumstances following the assessment of your previous year's tax return with one of our service officers.

Yours sincerely,

Jessica, Service Officer
Australian Taxation Office

Wishing a Happy Retirement to *Ian Jeffery*

After more than 21 years of dedicated service, we extend our heartfelt congratulations to Ian Jeffery as he begins his well-earned retirement.

Throughout his time with the firm, Ian has been a highly respected and valued member of our team. His extensive expertise, professionalism, and commitment to delivering exceptional service have earned the trust and confidence of many of our clients.

Ian has built lasting relationships through his thoughtful advice, meticulous attention to detail, and unwavering dedication to achieving the best outcomes for those he served.

Beyond his technical knowledge, Ian has been a generous colleague and mentor, always willing to share his experience and support those around him. His calm approach, integrity, and sense of humour have made him a pleasure to work with and a valued part of our firm's culture.

Ian's contribution over the past two decades has left a lasting impact on both our clients and our team. While he will certainly be missed, we are excited for him as he embarks on this new chapter, with more time to enjoy family, friends, travel, golf, a few more bottles of wine and all the opportunities that retirement brings.

On behalf of everyone at the firm, we thank Ian for his outstanding service, loyalty, and dedication over the past 21 years. We wish him every happiness, good health, and success in his retirement.