



Goldsborough

Quarterly financial planning news and views



What would you tell your kids?

I often get asked "What would you tell your kids?"

Well, our daughter is 18 and just started a Business Degree at Uni but doesn't know if Uni is for her. My advice: if the Uni is getting more out of her (fees) than she is getting out of it (value), try something else at least until she can see benefit in a Degree. My reasoning is:

1. Tertiary education is expensive. Starting adulthood with a HELP debt for an unfinished Degree which she's not actually sure she wants to do is a trap.
2. AI disruption will have completely changed the educational dynamic and workforce opportunities by the time she finishes in 4 years; let the initial seismic shift play out and give the Academics time to adapt.

Fortunately she's an active, motivated person who loves the outdoors and works two jobs. Our suggestion is to focus on developing her other life skills; courage, interpersonal confidence, adaptability, the value of money and perseverance. We as a nation still reward

those who are willing to have a go, work hard and show initiative. In a world of sliding productivity, it's even easier to stand up and create opportunities.

She wants to follow dad's footsteps by getting into property asap and she's saving towards a minimum deposit pretty quickly. It won't be located where she'll want to live and it'll be a shoebox renovator's delight but it's a start.

Property websites help to identify types of properties (i.e. a unit in a group) and layouts that might suit her but they also create heavy competition for buyers, most of them older and better resourced.

My reminder was that websites are not the only market; what if she doesn't have to buy it through an agent because someone may offer it to her? Not all vendors want to sell through an agent and not all want to do the legwork to dress it for sale.

Then I explained that with some courage and courtesy, she can introduce herself to neighbouring properties, or drop a handwritten letter in their mailbox and make it known that she'd love a chat.

It'll take many cups of tea and most importantly hearing about different people's lives plus sharing her own story, but when someone decides to sell, they'll remember that respectful young lady who had the gusto to knock on their door.

It's not about getting a great deal (does help!) but rather creating the opportunity and thriving on her own terms. The same process works for buying a business, a car or finding a job. Eventually, the yearn to learn may lead her back to Tertiary education (and I hope it does) but it will be when she's ready. By then she would have worked out that finishing a Business Degree is actually less frustrating than retro-fitting an Ikea kitchen. ■



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Good news, new risks: Australia's recovery meets a shifting world

You may have seen headlines a couple of months ago suggesting the Australian economy was finally finding its feet again. Under normal circumstances, that would be cause for a small celebration (or at least a relieved sigh). But in the current environment, it's landed a bit differently.

The figures showed the economy grew late last year, largely because the government was spending a little more, defence activity picked up, and many of us did what we do best over summer and Christmas... spent more than we probably planned to. On paper, things looked like they were improving, and after a very tough stretch, living standards showed some modest progress.

But, as always, context matters, and right now, the global backdrop has changed.

Rising geopolitical tensions in the Middle East have added a fresh layer of uncertainty to global markets. Energy prices have become more volatile, supply chains feel less predictable and inflation risks have popped back up just as central banks were hoping they might quietly behave themselves.

For Australia, this is important. Higher oil and transport costs tend to sneak their way into the price of just about everything, which makes the Reserve Bank's job harder. Even if our local economy looks reasonably steady, global shocks can keep inflation "sticky",



increasing the risk that interest rates stay higher for longer than many households would like, particularly for anyone with a mortgage.

At the household level, caution is already showing. Spending remains fairly subdued, while savings rates have crept higher. Many people are still feeling the cost of living squeeze and are choosing to build a bit of a buffer rather than splash out, which, in uncertain times, is a pretty sensible approach.

For investors, this is a timely reminder that markets don't operate in neat little boxes. Economic growth, inflation, interest rates and geopolitics are all intertwined. What looks like good news

one week can be offset by global events the next, and short term market moves don't always tell us much about the long term picture.

That's why the focus shouldn't be on reacting to every headline, but on sticking with a sensible plan. Staying diversified, managing risk thoughtfully, and keeping your longer term goals front of mind is far more productive than trying to predict the next twist in global events (which, let's be honest, rarely works anyway).

If you'd like to talk through how the current economic and geopolitical environment fits into your own situation, I'm always happy to chat. ■



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Aged care, age pension and the family home

2-year exemption

When a single person moves into residential aged care and the home is not occupied by a spouse, the home is an exempt asset for aged pension calculations for up to 2 years from the time the home is vacated (i.e. time of entering permanent care). They retain "homeowner" status during the 2-year exemption period.

At the end of this period, the home is fully assessable under the assets test for age pension calculations, and the person is then assessed as a "non-homeowner". Given the values of residential real estate, a significant reduction or loss of age pension altogether is likely.

If a protected person (other than a spouse) remains in the home, the

2-year exemption only applies for age pension calculations (but may qualify for an exemption when calculating aged care fees).

Spouse remains in home

When one member of a couple enters care, the home continues to be an exempt asset whilst the spouse remains at home. If the spouse sells the home and buys another home and moves in, it will continue to be exempt from assessment. However, if there are any residual funds from the changeover, those funds will be assessed for both age pension and aged care calculations.

The above is summarised in the table below:

Partner remaining in home:	Social security treatment
Stays in the home	Exempt asset
Leaves the home to enter care	2-year exemption applies to both, commencing at time of entry to care of 2nd spouse
Sells the home – intends to purchase another home	Both assessed as homeowners for up to 24 months. Amount intended for the purchase of the new home is exempt from the assets test and the lower deeming rate applies under the income test.
Sells the home – no intention to purchase new home	Both treated as non-homeowners. No means test exemption on proceeds.
Dies	2-year exemption applies from time of partner's death.



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Geo-political tensions March 2026

Geopolitical shocks have been a rising feature this past year, with US "interventions" in various countries – Nigeria, Venezuela, Greenland and now Iran. They add to existing tensions – the ongoing US-China rivalry and the Russia-Ukraine conflict. The key aspects of the current geopolitical tensions are:

- **Supply chain and commodity impact:** The conflict in Iran/Middle East has affected shipping routes, as well as oil prices and consequently global energy costs.
- **Financial market volatility:** Geopolitical tensions directly influence market sentiment and are primary drivers of sharemarket volatility. They also impact currency values.

- **Shipping, airspace and logistics:** Heightened tensions continue to cause shipping delays, leading to higher freight costs. Airspace disruption has been significant. Large parts of Middle Eastern airspace are effectively shut to civilian flights.
- **Economic fragmentation:** Protectionist policies have risen, with new trade restrictions more than tripling since 2019. Trade between opposing geopolitical blocs (e.g., China-USA) is contracting considerably.

Some important things for investors to bear in mind, during times of uncertainty like these, are to focus on basic investment principles, in particular:

- Share market pullbacks are healthy and normal – it's the price we pay for the higher returns provided over the long term.
- It's very hard to time market moves, so the key is to stick to an appropriate long-term investment strategy.
- To avoid getting thrown off a long-term strategy – it's best to turn down the noise around all the negative news flow.

Diversification remains a cornerstone of our investment approach. Spreading investments across various asset classes, means that our clients' portfolios are not overdependent on strong returns from a handful of assets for performance. Instead, returns are accumulated from multiple sources. ■



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The 5 big forces likely to shape the next decade

When we think about markets and investing it's often the big, slow moving trends that matter most over time.

Looking ahead, there are five major forces likely to shape economic growth, inflation and investment returns over the next decade. These trends won't move markets every week, but they will quietly influence where risks and opportunities sit.

1. Artificial intelligence: working smarter, not just harder

Artificial intelligence (AI) is already changing how businesses operate. The big promise is higher productivity. If companies can automate routine tasks and make better decisions faster, we could see stronger economic growth without the usual inflation pressures that come from labour shortages.

That said, AI will change the job market. Some roles will disappear, others will be created and many will evolve. From an investment angle, the key question is who benefits most. Is it the companies that build the technology, or the businesses that use AI to cut costs and improve customer experiences?

History suggests the biggest long-term winners are often the ones that apply new technology effectively, not just the ones that invent it.

2. Climate change: an economic issue, not just an environmental one

Climate change is becoming more important for markets over time. Extreme weather can effect food production, pushing prices up and adding to inflation. At the same time, the move toward cleaner energy requires massive investment in power networks, renewables and infrastructure.

This creates risks and opportunities, some industries face higher costs and regulation while others benefit from new demand. For investors, the key is understanding which companies can adapt, manage rising costs and pass them on to customers without hurting profits.

Over time, climate related impacts are likely to play a bigger role in how markets behave.

3. Private markets: more choice, less liquidity

Private markets are things like private equity, private credit and infrastructure which have grown quickly. They can offer access to investments not available on

the share market, including new income sources and different types of businesses.

The trade off is liquidity, these investments often lock money away for years and are harder to sell quickly. Pricing can also be less transparent than listed assets.

For investors, private markets can be useful when used carefully, especially for longer term money. But they aren't suitable for everyone and liquidity still matters, particularly during uncertain periods.

4. Government debt: tough choices ahead

Many governments are carrying much higher debt than in the past. As debt grows interest costs rise making budgets harder to manage. This can limit governments' ability to respond to future crises and may increase the risk of higher inflation over time.

Governments may face difficult choices such as higher taxes, spending cuts or letting inflation run a little hotter. These pressures can create political tension and make markets more sensitive to policy decisions.

For investors this reinforces the importance of diversification and holding assets that can cope in different inflation and interest rate environments.

5. Geopolitics: a more complicated world

The global landscape is shifting, power is no longer concentrated in one dominant country and tensions between major nations are reshaping trade, supply chains and investment flows.

We may see less reliance on global supply chains and more focus on local or "friendly" trading partners. This can add costs, push prices higher and increase volatility when political risks flare up.

While it's hard to predict geopolitical events, their influence on markets is growing and sets the background for many economic outcomes.

The big picture

These five forces won't all move in the same direction. AI could boost growth while climate change and geopolitics could add costs and uncertainty. Government debt may influence inflation while private markets expand the set of investment choices.

Investors should focus on building diversified, flexible portfolios prioritizing long term quality rather than trying to predict the future. ■

New super contribution caps for 2026-2027

The super contribution caps are increasing from 1 July 2026, creating extra opportunities for people looking to build retirement savings in a tax-effective way.

The concessional contributions cap will rise from \$30,000 to \$32,500, while the non-concessional cap will increase from \$120,000 to \$130,000. The maximum three-year bring-forward amount will also increase to \$390,000.

Concessional contribution cap

Concessional contributions are before-tax contributions, including employer super guarantee, salary sacrifice and personal deductible contributions. These are generally taxed at 15% in the fund, although Division 293 can apply an extra 15% tax for higher income earners where income plus concessional contributions exceed \$250,000.

For higher income earners already using the full concessional cap, the increase provides extra room to contribute more to super in a tax-effective way. It may also help employees who are salary sacrificing close to the current cap and want to increase contributions from next financial year.

The higher concessional cap may also improve the value of catch-up contributions. If your total super balance is below \$500,000, you may be able to use unused concessional cap amounts from the previous five years. This can create a valuable opportunity to contribute more in 2026-27, particularly if you have irregular income or a large capital gain.

Non-concessional contribution cap

Non-concessional contributions are after-tax amounts made from savings or take-home pay and are not taxed on entry to super.

The increase in the non-concessional cap opens up larger contribution opportunities. For example, a person may be able to contribute \$120,000 before 30 June 2026, then potentially contribute up to \$390,000 under the bring-forward rules from 1 July 2026, subject to eligibility. For couples, this can double the super contribution opportunity.

These changes may be particularly relevant for people approaching retirement, receiving an inheritance, or selling an asset and looking to contribute more to super.

Consider reviewing your strategy

The cap increases may create new planning opportunities, particularly for those building super in the lead-up to retirement. They may also be relevant for anyone reviewing contribution timing or pension commencement strategies ahead of the transfer balance cap increasing to \$2.1 million from 1 July 2026.

This is a good time to review the timing and rules that may apply in your situation. Before making recommendations, we carefully review your contribution history to help ensure any strategy stays within the relevant limits. ■



SAM MARTIN CFP®
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Age pension changes from March 2026: what retirees need to know

From 20 March 2026, Centrelink will implement its regular indexation changes to the Age Pension, affecting payment rates as well as income and asset test cut off limits. These changes will impact more than 2.5 million Australians, including many retirees and pre retirees here in South Australia.

While most pensioners will welcome a modest increase in payments, changes to deeming rates mean the outcome won't be the same for everyone.

Higher age pension payments

From March:

- Single Age Pensioners will receive an increase of \$22.20 per fortnight, bringing the total payment to \$1,200.90 per fortnight.
- Couples will receive an increase of \$16.70 per person per fortnight, with each partner now receiving \$905.20.

These increases are designed to help offset ongoing cost of living pressures.

Higher income test limits

The income test cut off thresholds are also increasing, allowing pensioners to earn more before losing eligibility:

- Singles: cut off rises to \$2,619.80 per fortnight
- Couples (combined): cut off rises to \$4,000.80 per fortnight

This is particularly relevant for retirees with part time work, investment income, or account based pensions.

Higher asset test cut offs

Asset limits have increased as well, which may allow some Australians to retain or regain a part Age Pension.

Homeowners

- Single: up to \$722,000 in assets
- Couple (combined): up to \$1,085,000

Non homeowners

- Single: up to \$980,000
- Couple (combined): up to \$1,343,000

These changes are especially important for retirees who have downsized or are holding higher cash balances.



Important: deeming rates are increasing

While thresholds are rising, deeming rates are also increasing, which may reduce Age Pension entitlements for some retirees with financial assets.

From March 2026:

- 1.25% applies to the first \$64,200 (singles) or \$106,200 (couples combined)
- 3.25% applies to balances above those amounts

Centrelink will now assume higher income from savings, investments and super — even if actual returns are lower.

What this means

Most pensioners will see a small increase, but some may see little benefit or even a reduction due to higher deeming rates. This reinforces the importance of regular Age Pension and retirement strategy reviews.

If you'd like to understand how these changes affect your situation, please contact your adviser. ■



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Mixing time “off” with time “on”

As a professional financial adviser, ongoing professional development is just part of the multitude of tasks required throughout the year. Part of that often includes attendance at a conference where you have the opportunity to meet with like-minded professionals to discuss not only investment portfolios but business strategies, client and staffing issues as well as updating yourself with investment strategies and the like.

For the first time ever, I/we decided to blend holiday with conference and so we headed to Queenstown (New Zealand) for 10 days. For Sarah, my wife, and I, it was our first overseas trip for over



a decade. For our girls, Clara (11) and Hetty (9) it was their first overseas trip. We did the motorhome thing for 5 nights and took in as much as we could from the south of the South Island. To say that NZ is a magnificent country is an understatement, and the picture will never do it justice.

The last 5 days were in Queenstown for the Entireti Alliances Conference where 5 of us from Goldsborough attended. The current middle East issues were certainly prevalent in much of the conversation, but AI was certainly top of the agenda. We spent significant time discussing

how to use this 'behemoth' effectively and (most importantly) carefully in our practices. At Goldsborough we are always looking to be innovative, and improving our client experience. AI is certainly going to be a part of this (as with almost all businesses) and we look forward to using this amazing resource into the future. ■

Ongoing professional development is just part of the multitude of tasks required throughout the year.



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Making bonus saver accounts work smarter

Bonus saver accounts can be a useful tool for clients looking to earn a higher rate of interest on short term cash. Typically, these accounts pay a low base rate, with a bonus interest rate applied if certain conditions are met. One common requirement is that you must add funds during the month and avoid reducing the balance, otherwise the bonus interest is forfeited for that period.

Recently, we worked with a client who needed to transfer a sizeable amount

from their everyday bank account. This transfer would normally have resulted in a reduction in their bonus saver balance, meaning they would miss out on the bonus interest for the entire month.

Rather than accepting this outcome, we explored an alternative strategy. The client opened a second bonus saver account with the same bank and transferred the majority of their existing balance into the new account. Because the second account began with a fresh

balance, it still qualified to earn interest for the remainder of the month. The original bonus saver then received the regular monthly contribution, preserving the bonus interest entitlement.

The result was that the client avoided losing interest and their cash continued to work efficiently. It also reinforced the value of regularly reviewing how savings are structured, particularly when larger transactions are planned. While this may seem like a small adjustment, the

compounding impact of retaining bonus interest can be meaningful over time.

Banks design savings products to maximise profitability, and the rules usually work in their favour. Finding legitimate ways to work within those rules, and occasionally feel like the balance has tipped back toward the client, can be quietly satisfying. As advisers, this is where strategy, attention to detail, and good timing can make a real difference for clients. ■



Information sessions for 2026

Over the past few months, our team have been very busy hosting our **Let's Talk Super SA** information sessions.

These complimentary sessions were designed to unpack the unique planning opportunity available exclusively to Super SA Triple S members.

Drawing on our deep expertise in Super SA strategies, we are passionate about helping South Australian Government employees and their families grow and protect their wealth with thoughtful, tailored planning.

As the financial year draws to a close, we won't hold scheduled sessions over the next few months, but we're always happy to offer individual consultations to any Super SA members seeking advice.

We're also excited to present our **Aged Care Options** and **How to make the MOST of your Retirement** information sessions later this year.

Please keep an eye on our **website**, **Facebook page** or our **Instagram** account for the most up-to-date details! ■



Referral award

The biggest compliment any client can give us at Goldsbrough is the referral of a friend, relative or colleague who could benefit from our services.

To show our appreciation for the wonderful referrals that we receive from our clients, we draw a **Referral Reward** winner each month, to receive a \$100 gift voucher.

We have pleasure in announcing our most recent winners of our Referral Reward:

- Ruth Harris
- Mandy Ganzevoort
- Michelle Egel

Congratulations and thank you again, your vouchers are on the way. ■

15-minute discovery call

Do you know someone who is thinking about their retirement planning – but perhaps unsure where to begin or who to speak with?

Then a 15-Minute Discovery Call is the perfect first step! A relaxed, no-obligation chat with one of our advisers to understand their goals and financial situation.

Simply book online via our website – [goldsborough.com.au](https://www.goldsborough.com.au) ■

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