stonehouse WEALTH MANAGEMENT

# Newsletter

Autumn 2026

Glenorchy, NZ (Andrew Stewart)

## Celebrating 100 Years of Service:

### Stephens RSL Sub Branch

*Michelle Poulsen*
*Partner*

This year marks an incredible milestone, **100 years of service, remembrance, and community** for the Stephens RSL Sub Branch.

From its beginnings in 1922, supporting returned World War I veterans, to today's ongoing work with veterans, families, and the local community, the Sub Branch has remained true to its purpose for a full century.

Through commemorations like ANZAC Day and Remembrance Day, support for local schools, and care for those who have served, their impact continues to be deeply felt across generations.

Stonehouse is honoured to provide financial advisory services to the Stephens RSL and proud to recognise and celebrate this extraordinary achievement.

Congratulations to the Stephens RSL Sub Branch on 100 years of dedication, service, and community spirit.

## Autumn Cheese Board Team Builder

As the seasons start to change, so do we.

Our team recently took a moment to slow down, connect, and enjoy the simple things, good company, a beautifully styled grazing board, and a little inspiration for the cooler months ahead.

There's something special about this time of year… crisp evenings, cosy catch-ups, and yes, cheese, crackers, and a well-earned glass of wine.

At Stonehouse, we know strong teams build strong client outcomes, and sometimes that starts with taking time to recharge together.

Here's to welcoming Autumn the right way, and to warmly welcoming Ian Auld and our new clients from FinGuard into the Stonehouse family.

# Ways to prevent family trust disputes

*Ben Hancock*
*Partner*

Most families don't expect disputes to arise within their trust, especially when its purpose is to protect wealth and support loved ones. But misunderstandings about control, rights or responsibilities can quickly create friction.

A little upfront planning can help preserve relationships as well as assets.

When roles, expectations and powers are unclear, disputes can arise and often at the worst possible time, such as after the death of a family member.

## Why governance matters

A trust deed sets out the legal framework, but it does not address family expectations, values or the "rules of engagement" around control, communication and decision-making. That's where a trust charter or family constitution can be invaluable.

A trust charter is a non-binding but strategically important document that outlines:

- the family's vision and values
- agreed principles for managing wealth
- expectations of trustees, appointors and beneficiaries
- communication protocols
- dispute resolution processes.

For more complex families, such as those with multiple branches, blended structures or significant operating businesses, these documents can prevent misunderstandings and provide clarity across multiple generations.

For example, disputes often arise because beneficiaries don't understand the limits of their rights or the powers of trustees. Also, families often avoid talking about who will control the trust next.

In the longer term, a charter provides continuity as family members age, or retire, by providing younger family members with guidance about their responsibilities.

## Trustee succession planning

A number of recent court cases have shown how the absence of agreed rules and communication channels can increase conflict, particularly when it comes to succession.

A trust's long-term stability depends heavily on what happens when the original trustee, appointor or guardian dies, becomes incapacitated, or steps aside. Many families assume the deed will automatically produce a smooth transition. Often, it doesn't.

The Cardaci dispute, an eight-year legal battle ending with a High Court decision in 2024, shows how messy trust control can become without forward planning. The case involved family members disputing the administration, decision-making powers and trustee conduct in a long running family business. The litigation demonstrates how disputes about control and succession can escalate unless families regularly review their trust structures and governance frameworks.[i]

## Preventing disputes

Don't be tempted to "set and forget" a trust. Keeping on top of new needs and expectations as well as changing family structures may save time and money later on.

### 1. Review the trust deed regularly

Trusts established decades ago often contain outdated provisions and restrictive definitions of beneficiaries. Major life events, such as marriages, divorces, deaths, business restructures, should trigger a deed review.

### 2. Create or update a trust charter

A charter can address:

- succession intentions for trustee and appointor roles
- the philosophy behind distributions
- how beneficiaries should communicate concerns
- expectations regarding involvement in the family business
- protocols for conflict resolution.

It means that all beneficiaries are "on the same page" and it reduces emotional decision-making.

### 3. Clarify trustee and appointor succession

Succession for these roles should be explicitly documented. Consider:

- who should take over, and whether they have the skills
- whether multiple appointors or trustees should act jointly
- how disputes between co-appointors will be handled
- what happens if successors divorce, die, or become incapacitated.

### 4. Prevent power imbalances

Many disputes are triggered when one family member gains disproportionate control. Solutions include:

- using corporate trustees with independent directors
- appointor committees rather than a single appointor
- including "fit and proper person" requirements for decision-makers
- requiring successor training or external advice.

### 5. Document decision-making carefully

Courts expect trustees to act impartially and for proper purposes. Keeping clear records of decisions, especially when it comes to distributions, investments and amendments, can reduce the likelihood of misconduct allegations.

If you'd like support reviewing your trust governance or establishing a family charter, our team can guide you through the process.

i https://www.hsfkramer.com/notes/disputesaustralia/2025-posts/key-lessons-from-high-court-trust-litigation

# The EOFY jobs that might matter more than you think

*Jeremy Chiel*
*Partner*

**As the end of the financial year (EOFY) approaches, investors often focus on topping up super, maximising deductions, prepaying interest or reviewing portfolios. While these are all valuable activities, there are some less obvious tasks that can have a big impact on your tax position, wealth preservation and long-term planning outcomes.**

Here are five areas that investors can often miss in EOFY planning.

## 1. Capital gains in volatile markets

Investment markets have been volatile in recent years, with rapid movements in equities, property and fixed income. When investors buy and sell during choppy market periods, capital gains tax (CGT) considerations become even more important.[i]

It is the ideal time to assess whether:

**You should realise gains this year or defer them –** The decision can hinge on:

- Expected income this year vs next year
- Whether you qualify for the 50 per cent CGT discount
- Available capital losses
- Investment timeframes and risk appetite

**You have unused capital losses –** Losses can be used to offset realised gains, but they cannot be used against ordinary income. Some investors may find that realising strategic gains before 30 June allows them to "unlock" unused losses that have been sitting dormant.

Be aware of "wash sale" rules. Some investors plan to sell an asset to realise a loss and then quickly buy it back. The ATO calls this a wash sale and may deny the loss.[ii]

## 2. Superannuation recontribution strategies

A super recontribution strategy is sometimes overlooked because it requires coordination between pension payments, contributions and tax components. But, when used appropriately, it may significantly reduce future tax for beneficiaries and increase flexibility in estate planning.[iii]

This strategy usually involves withdrawing a portion of your super (usually from the tax free and taxable components proportionally), then recontributing these funds back into super as a non-concessional contribution (if you're eligible).

The result is that more of your balance becomes tax free, which can reduce or eliminate the "death benefits tax" that applies when super passes to non-dependent beneficiaries, such as adult-children.[iv]

## 3. Bringing forward deductions and deferring income

While prepaying expenses and deferring income is a well-known EOFY strategy, it may not be successful for everyone, so check carefully that it's useful for you.

**Bringing forward deductions –** You may be able to prepay, interest on investment loans, income protection premiums, ongoing advisory fees, and professional subscriptions. But if you're approaching income thresholds (such as Medicare Levy Surcharge minimums, private health insurance rebates or HECS/HELP repayment bands) it's important to calculate whether prepayments will actually deliver you a benefit.

**Deferring income –** Small businesses using cash accounting may be able to defer invoicing until July and investors might choose to delay receiving distributions or bonuses. But don't forget that deferring income may affect borrowing capacity or government payments.

## 4. Managing Division 7A loans

Division 7A can catch business owners off guard at EOFY. These rules apply when a private company lends money, pays expenses or provides assets to shareholders or their associates. If not handled correctly, the ATO may treat the payment as an unfranked dividend, resulting in significant unexpected tax.[v]

To stay on top of your Division 7A obligations:

- Confirm all loans are documented
- Check minimum yearly repayments
- Consider whether to repay, refinance or restructure
- Don't forget about company-paid personal expenses

A well-timed review can prevent unintended tax consequences and keep your structure compliant.

## 5. Reviewing your records

Another often missed EOFY task is checking that your records and substantiation are complete before preparing your tax return.

The ATO is increasing its use of data matching programs, so having accurate documentation is essential. This includes keeping receipts for deductible expenses and retaining statements for managed funds and other investments.

EOFY planning is about much more than topping up super or gathering receipts. Hidden traps like CGT and Division 7A timing can create unnecessary tax if ignored, while proactive strategies such as recontributions can deliver long-term estate planning benefits.

By taking a structured approach, you can ensure every part of your financial picture is working together, and no opportunity is missed. We're here to help. Please give us a call.

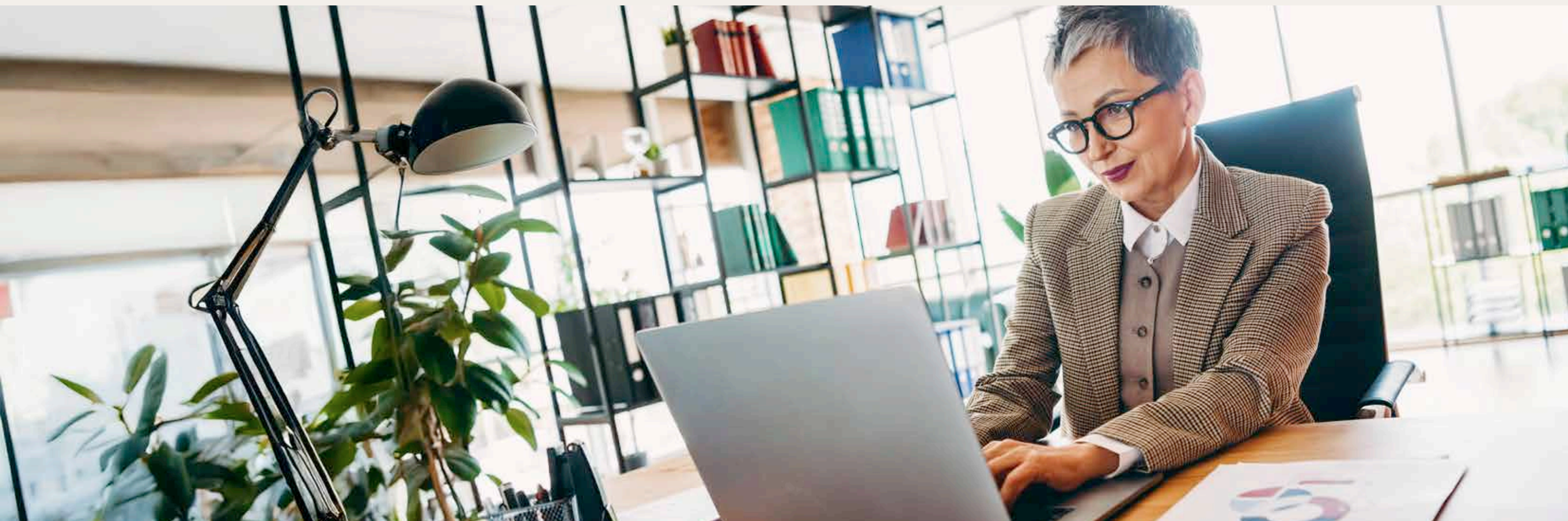
i https://www.ato.gov.au/individuals-and-families/investments-and-assets/capital-gains-tax

ii https://www.ato.gov.au/media-centre/wash-sales-the-ato-is-cleaning-up-dirty-laundry

iii https://www.superguide.com.au/super-booster/super-re-contribution-strategy

iv https://www.ato.gov.au/tax-and-super-professionals/for-superannuation-professionals/apra-regulated-funds/paying-benefits/paying-superannuation-death-benefits

v https://www.ato.gov.au/businesses-and-organisations/corporate-tax-measures-and-assurance/private-company-benefits-division-7a-dividends/in-detail/division-7a-loans



# **Staying Safe in the Age of AI:** Protecting Your Financial Information

As technology continues to evolve, so do the ways cyber criminals attempt to access personal and financial information. With the rise of AI tools like ChatGPT and Google Gemini, many people are now using these platforms to quickly find answers, including how to contact their superannuation fund, investment platform, or financial provider.

While these tools can be incredibly helpful, it's important to understand the new risks emerging alongside them.

## How Cyber Criminals Are Exploiting AI

Cyber criminals are becoming more sophisticated and are now:

- **Injecting false or misleading information into online sources** (which AI tools may unknowingly pick up and present as legitimate)
- **Creating fake websites or contact details** that look almost identical to real providers
- **Posing as financial institutions** when people attempt to call or email based on incorrect details

This means that if someone asks an AI tool, "What is the phone number for my investment platform?" they may unknowingly be given incorrect or fraudulent contact details.

## What Happens Next?

Once contact is made with a fraudulent source, scammers may:

- Request **login credentials or verification codes**
- Ask you to **confirm personal or account information**
- Guide you through **"security checks"** that actually give them access
- Attempt to **redirect or withdraw funds**

Unfortunately, these scams can look very convincing, and they are designed to create urgency and trust.

## How to Protect Yourself

The good news is there are simple steps you can take to stay safe:

✔ **Always go directly to the official source**
Access your provider by typing their website address directly into your browser, do not rely on links or contact details from third-party tools or search results.

✔ **Use your existing secure portals**
Log in through your known apps or saved bookmarks rather than searching online.

✔ **Be cautious with personal information**
Never share passwords, one-time codes, or sensitive details with anyone who contacts you unexpectedly.

✔ **Pause if something feels off**
Scammers rely on urgency. Take a moment to stop and verify.

✔ **Reach out to us** If you're unsure, contact the Stonehouse team first, we are here to help guide you safely.

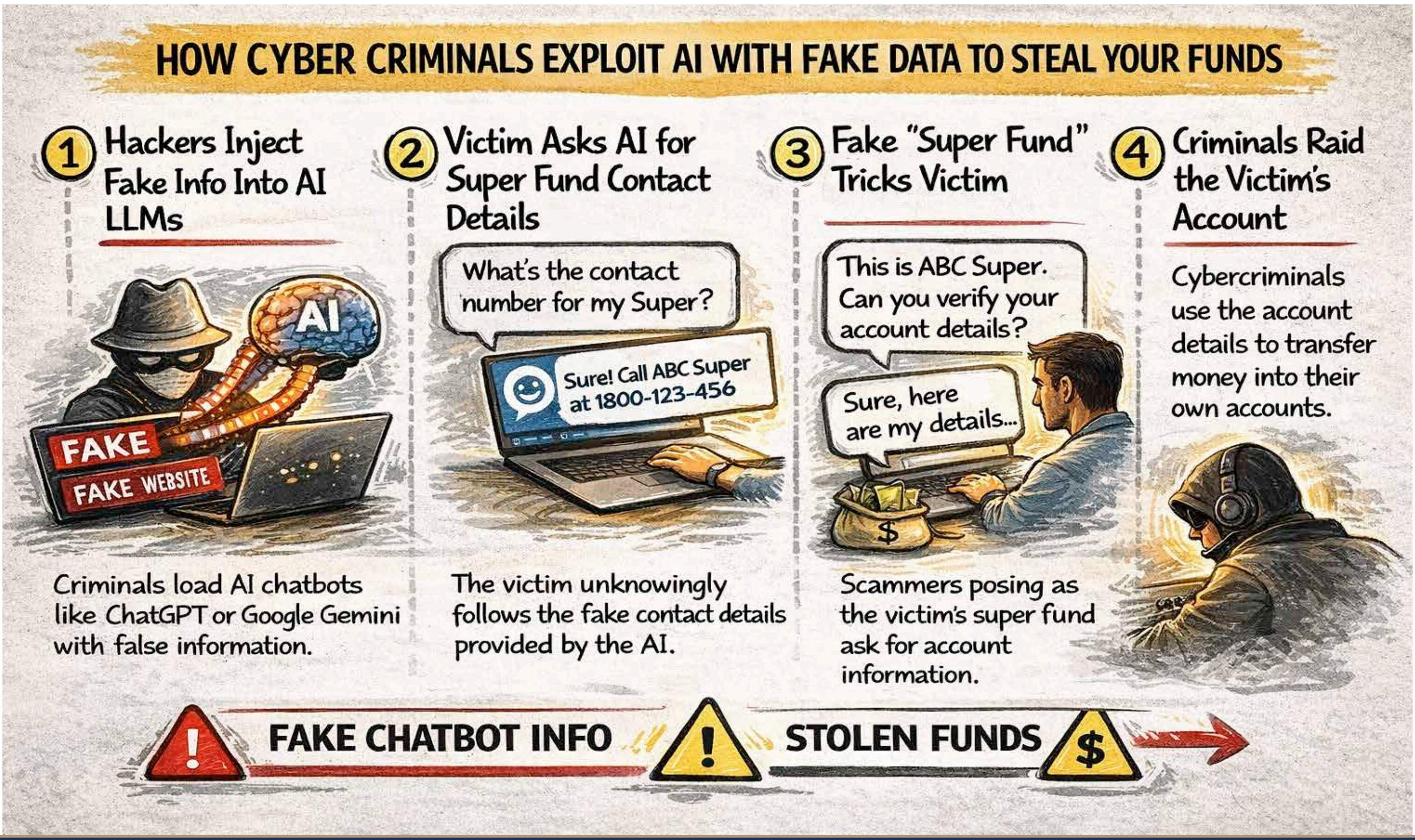
## We're Here to Help

At Stonehouse, your security is just as important as your financial future.

If you ever need help finding the correct contact details for your superannuation fund, investment platform, or any financial provider, please reach out to our team directly. We're always happy to assist and ensure you're accessing the right information safely.

AI is a powerful tool, but like all technology, it should be used carefully, especially when it comes to your finances.

***When in doubt, go direct — or go through us.***





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