The Next Move

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Director IDs: Do Your Housekeeping Before ASIC Does It For You

You have twelve months. Use them.

From 1 July 2027, companies must give ASIC the director identification number of every director — through the channels you already use, being the annual review and any notification of a change to a director's details. In practice, that means every company will have reported by 30 June 2028.

This looks like housekeeping. It is not. It is the moment ASIC's company register gets reconciled against the director ID register — two databases that have never spoken to each other. A great deal of untidiness will surface at once, and untidiness at ASIC has a price.

Late lodgement fees currently run a little over $100 if you are up to a month late, and over $400 beyond that. They apply per form, per company. If you discover in mid-2027 that three of your companies show an old registered office, that is three late lodgements, plus whatever else turns up.

Worse is the director with no director ID at all. Failing to hold one is a strict liability offence with a penalty approaching $20,000, and ASIC can now disqualify a person from managing corporations for up to three years for failing to apply when directed. Right now nobody is systematically checking. From 1 July 2027, the system checks itself.

Two Steps, Starting Now

- Search yourself. Run a person search on the ASIC register under your own name. Do not assume you know what is there. You might even find that ASIC has two versions of you — both with the same details but not connected to each other. Usually it is a middle name, a maiden name or an old address.
- Then search every company. One at a time. Registered office, principal place of business, every officeholder's address, the share structure. People update one company after moving house and forget the other four.

The point is the sequencing. Correcting a record now, in your own time, costs a form and a few minutes. Correcting it in the fortnight before your 2027 annual review, when it is holding up a lodgement you are legally required to make, costs a late fee on every entity.

If we act as your ASIC agent, we will be working through this for you over the coming year. If we do not, run the searches yourself — or ask us to run them.

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We specialise in advising Small to Medium Businesses (SMEs) through all stages of a business life-cycle — from inception, through growth and maturity to an exit strategy.

Working From Home? There Is a Capital Gains Tax Sting

And it has nothing to do with whether you claim a deduction.

If you run a business from your home — family day care, a consulting practice, a hairdressing chair in the spare room — there is a fair chance you have assumed something reassuring and wrong.

The thought process usually goes like this: as long as you don't claim any deductions for the house, you won't pay capital gains tax when you sell it. That is not how the law works.

The main residence exemption is reduced where you would have been entitled to claim interest on a loan used to buy the home, had you borrowed. It is a hypothetical test. It does not ask what you actually claimed, or even whether you have a mortgage.

What matters is the character of the space. If part of your home has genuinely become a place of business — a dedicated room, a sign out the front, clients coming and going — the exemption is reduced whether or not you claimed. If nothing is set aside and you work at the kitchen table, occupancy costs were never deductible anyway, and the exemption survives intact.

So the deduction is not what creates the tax. Both are caused by the same underlying fact. Turning down the deduction does not save you — it just means you paid for the problem twice.

Three Ways Out

- **Prevention.** Never set aside a specific area for the business. Cheapest, but it costs you the deductions and is not always practical.
- **The small business concessions.** On sale these can often reduce the taxable portion to nil — and with the fifteen-year exemption, the proceeds can go into superannuation as well.
- **Estate planning.** Where the dwelling is your main residence at your death and is not being used to produce income at that moment, the earlier income-producing use is disregarded entirely.

Note what that means. Options two and three let you keep every deduction along the way and still pay nothing. On the numbers, they beat prevention.

But both depend on facts you may not control — your asset position in the year you sell, and when the sale happens. Illness, divorce or aged care arrive without warning, and neither concession is automatic. Land tax is a separate problem again.

None of this is a reason to avoid working from home. It is a reason to stop taking comfort from never having claimed.

If you run any part of a business from home, talk to us before you sign a contract of sale, not after.

Whose House Is It Anyway?

The CGT trap in putting Mum on the title

It is one of the most common arrangements in Australian family finance, and one of the most expensive. A parent gifts a child the money to buy a house. The bank will not lend on the child's income alone, so the parent goes on the title to get the loan approved. Everyone involved understands that the parent owns nothing — the money was a gift, the parent never lived there, never received rent and never claimed a deduction.

Twenty years later the house is sold. The Commissioner's starting position is that the person on the title owns the property, and the parent is assessed on their share of a gain that may run well into seven figures. The main residence exemption does not help them, because it was never their home. Nobody thought about it at the time, and by the time anyone does, the tax has already accrued.

The position can usually be corrected. Where the child was in truth the beneficial owner and the parent held their legal interest on a bare trust, that trust relationship — not the certificate of title — determines who is assessed. The difficulty is proving it two decades after the event, on the strength of fading recollections, bank statements that no longer exist and a solicitor's file that was closed years ago. And with the 50% CGT discount giving way to CPI indexation from 1 July 2027, the cost of failing to prove it is only going up.

Do it properly at the start

If a parent must go on title for finance reasons, the arrangement should be documented at the outset. A declaration of trust should be executed before, or at the same time as, the contract, recording that the parent holds their legal interest on trust for the child absolutely and takes no beneficial interest. That document should then be supported by a deliberate paper trail: who provided the deposit, who met every loan repayment, who paid the rates, the insurance and the maintenance, and who occupied the property.

The second step is to seek a private ruling from the ATO confirming the position straight away — not on sale. The Commissioner is being asked to accept a factual proposition about beneficial ownership. That proposition is far easier to establish while the evidence is fresh and nothing turns on the answer, than years later when several hundred thousand dollars of capital gains tax rides on it.

Duty also has to be checked before anything is signed. A declaration of trust over land is dutiable, and whether nominal duty is available depends on the apparent purchaser or bare trust provisions in the relevant State legislation, and on executing the documents in the correct order. Get the sequence wrong and a tax problem simply becomes a duty problem.

The other version: buying a house for a relative to live in rent free

The same generosity, with worse arithmetic. A house is bought in one person's name so that a parent or an adult child can live in it rent free. The consequences are:

- no main residence exemption, because it is not the owner's home;
- no deduction for interest, rates, insurance or repairs, because there is no assessable rent;
- land tax may apply, because it is not the owner's principal place of residence; and
- the entire gain on sale is assessable.

The one crumb of comfort is that those non-deductible holding costs can generally be added to the cost base as third element expenditure. That requires every receipt from settlement day onwards. Most people do not keep them, and end up paying tax on money they have actually spent.

Charging a mate's rate does not solve the problem either — deductions are capped at the rent actually received.

Get the tax advice before you sign

Conveyancers and family lawyers get the title right. They are not engaged to model a CGT event twenty years into the future, and they rarely see one coming. In almost every one of these matters, an hour of tax advice before the contract was signed would have been a rounding error against the tax bill that eventually followed.

If you or someone in your family is about to buy a property in a name that is not the name of the person who will really own it, speak to us before you sign. It is a very cheap conversation compared with the alternative.

Booking the Band? You May Have Just Hired an Employee

Payday Super has turned a long-ignored superannuation trap into an immediate one — and Christmas function season is exactly when it bites.

It's September, which means you're locking in the venue, the band and the AV crew for the Christmas function. Here's the part nobody mentions: you may owe superannuation on all three.

Section 12(8) of the Superannuation Guarantee (Administration) Act 1992 deems a person paid to perform or present music, entertainment, sport, a display or a promotional activity to be your employee for super purposes. It doesn't matter that they hold an ABN, that they invoiced you, that it was a one-off, or that the agreement calls them an independent contractor. If you paid an individual to perform, the super is yours to pay.

It reaches further than the act on stage. The provision also captures people paid to provide services in connection with the performance — the sound technician, the lighting operator, the AV contractor at your conference. The same wording picks up promotional models and brand ambassadors working a trade stand.

Two developments have turned this from theoretical to urgent

First, the $450 monthly earnings threshold was abolished in 2022. A single $400 booking now carries an obligation.

Second, Payday Super commenced on 1 July 2026.

Superannuation is no longer a quarterly clean-up — it attaches to each payment, on a days-based deadline. Settling with the duo in cash on the night and sorting it out later is no longer viable.

Getting it wrong is expensive

The superannuation guarantee charge isn't deductible, carries interest and an administrative component, and the ATO can review arrangements going back years. A venue that has run the same Friday night booking for a decade may have an exposure it has never once thought about.

There is a legitimate answer.

Where the booking is genuinely with the performer's company or trust rather than with the individual, the deeming provision generally doesn't apply — but the contract, the invoice and the payment records must all tell the same story.

If you're booking performers, sound or lighting contractors, or promotional staff for your Christmas function this year, talk to us now about how those bookings should be structured and paid — before the invoices land, not after. It's a much cheaper conversation than an ATO review years down the track.