



**Australian Swiss**  
Chamber of Commerce

# Taxes & Tannins

23<sup>rd</sup> September 2025



*Adina*





## MEET YOUR HOST

### **Carla Smart** - Chartered Financial Planner & Group Head of Pensions

Chartered Financial Planner with 15+ years' experience, is Group Head of Pensions, specialising in pension planning and holding extensive UK, EU, and US advisory qualifications.

**Contact:** [carla.smart@skyboundwealth.com](mailto:carla.smart@skyboundwealth.com)





## MEET YOUR HOST

### Geoff Taylor - Partner and Australian Tax Expert

Geoff is one of Australia's leading expat tax and financial planning advisers. He regularly delivers Keynote addresses and has assisted many expats during their repatriation to Australia.

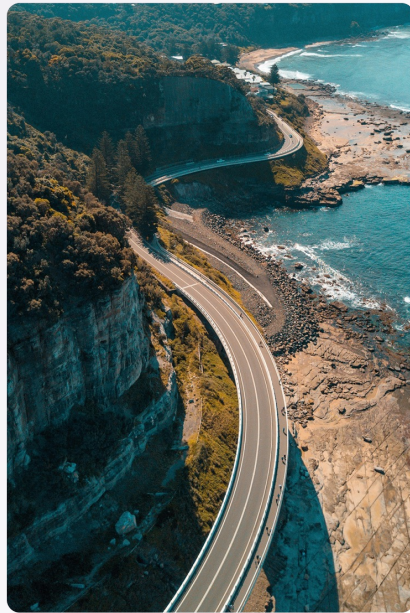
A dual qualified Tax Accountant and Financial Planner, Geoff has developed specialised expertise in advising Australian expatriates over the last 14 years.

Tax presentation by Geoff Taylor MIntTax CTA MBA (EXEC) CPA

Corporate Authorised Representative of Madison Financial Group Pty Ltd

ABN 36 002 459 001 AFSL No. 244679





# AGENDA

- Introduction to Skybound
- What changes are being proposed?
- What should expats do?
- Case studies



# OVER TWENTY YEARS OF EXPERIENCE

\$1.3 Billion

Of Client Savings  
Under Management

6,000+

International  
Clients & Growing

27

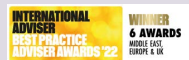
Industry Awards  
& Counting Since 2021

11

Offices Across 4 Continents  
& More Opening soon

## AWARD WINNING

We are one of the highest rated wealth management firms across the globe on multiple review platforms; showcasing the trust and satisfaction our clients gain from our services. The last few years have seen Skybound Wealth receive multiple awards with our regions and teams being recognised for their efforts in categories ranging from Best Advisor Firm & Excellence in Investment Planning to Client Service & Digital Transformation.





## OUR SERVICES

# YOUR SPECIALISTS IN...

Through a combination of passion for what we do, a desire to innovate and our ambition to define the future of the offshore advice industry, we aim to be the anchor that keeps you grounded whilst allowing your investments to soar.



Lifestyle  
Financial Planning



International  
School Fees



Inheritance  
Tax Planning



Trust Planning  
& Wills



Health, Life  
& Incomes Insurance



Retirement  
Planning



Repatriation



International  
Mortgages



## General advice warning

*This information is general advice only and does not take into account your personal circumstances, goals and objectives. Therefore, you should consider its appropriateness for your circumstances before acting on this information.*



# Presentation overview

## 1. Background

- ⇒ Albanese Labor wins May 2025 election in a landslide.
- ⇒ Why is there a need for tax reform now?
- ⇒ CGT, Franking credit system, FBT, GST etc.

## 2. What tax reforms are being proposed ... and what others are lurking

- ⇒ Chalmers' three principles of tax reform.
- ⇒ Increase taxes on superannuation for older Australians.
- ⇒ Abolish negative gearing.
- ⇒ Reduce capital gains tax discount.
- ⇒ Tax on trusts.
- ⇒ Cash flow tax on companies.
- ⇒ Increase GST to 12½% or 15%.
- ⇒ Move to citizenship-based tax system (like the US).

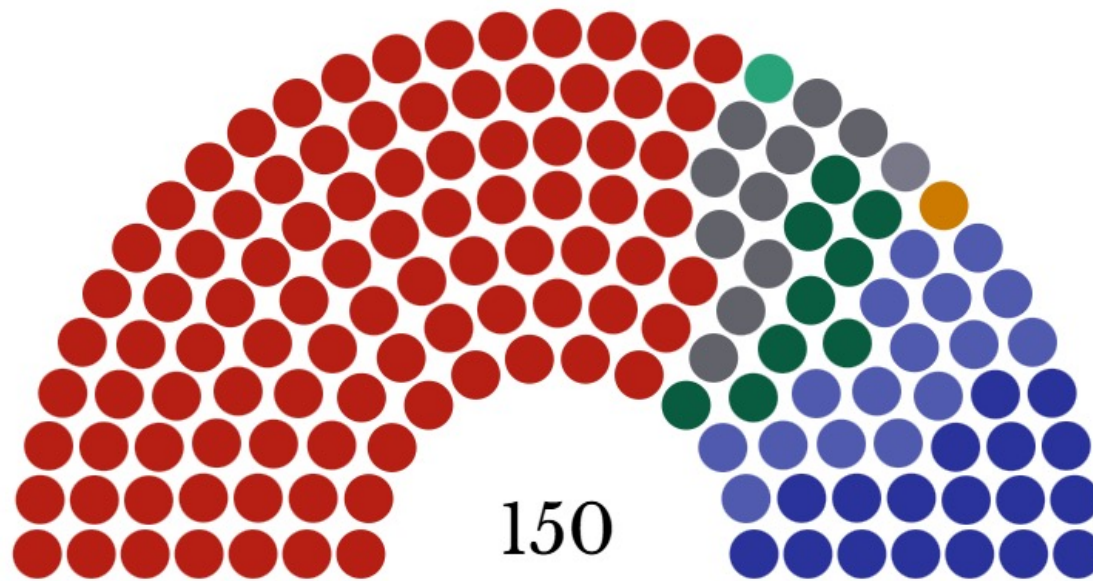
## 3. What should expats do?

- ⇒ Gold standard for tax planning.
- ⇒ Potential repatriation strategies.



# Labor wins by a landslide

House of Representatives by Party



Party:



*Labor*

Seats won: **94**

Last election: 77

*Coalition*

Seats won: 43

Last election: 58

*Greens*

Seats won: 1

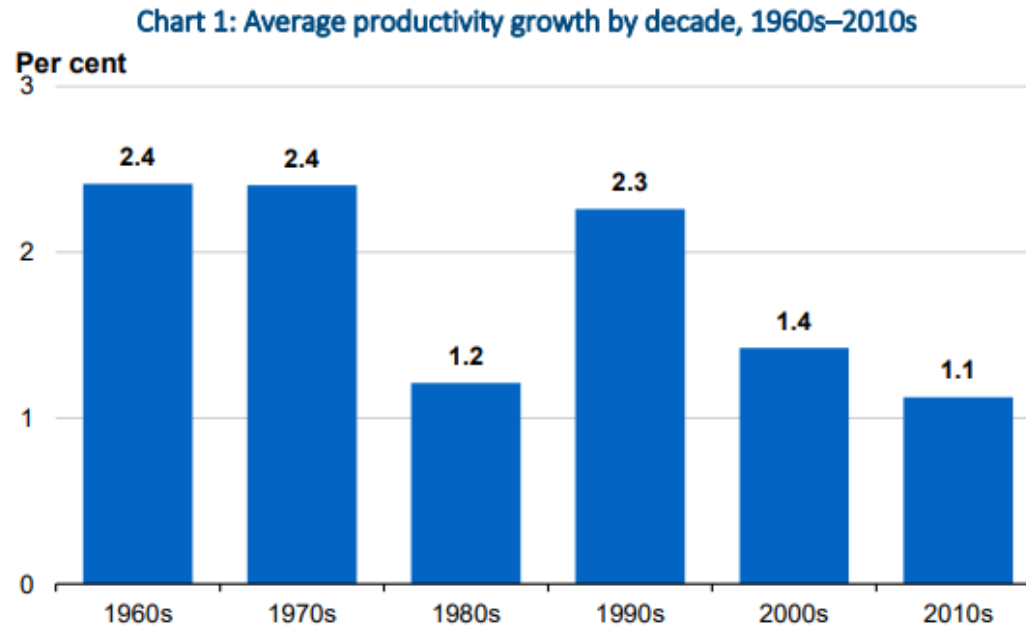
Last election: 4

***Prime Minister Anthony Albanese has now met the record set by ex-PM John Howard for the most seats won at an election, taking Labor to a 94-seat victory.***

## Why is tax reform needed now?

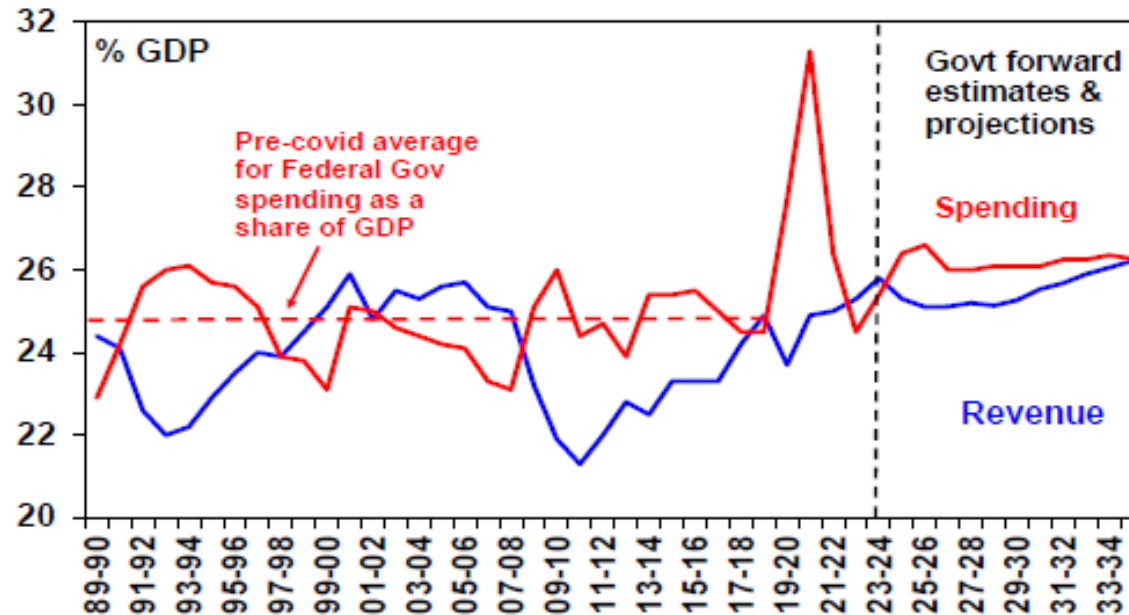


# Problem #1: Productivity has slowed



*Australia's productivity performance has been weak for decades, including the period prior to COVID. The government recognises the problem ... the argument is that the 'imperfect' tax system is a key barrier to higher productivity.*

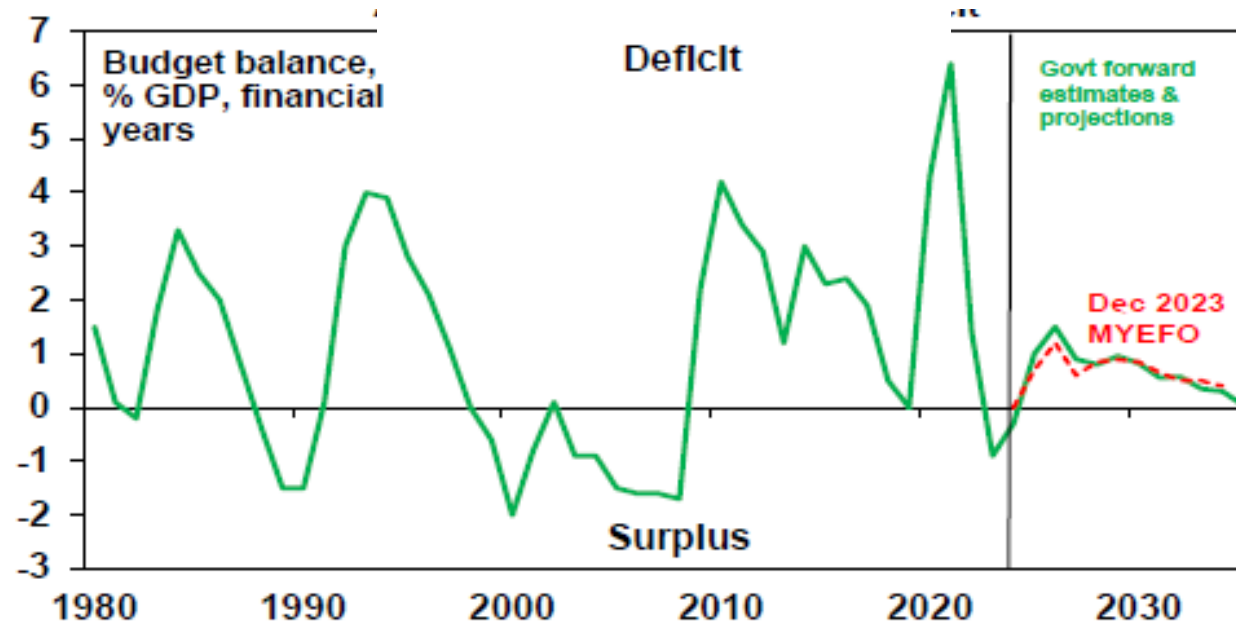
## Problem #2: 'Structural Deficit'



Source: Australian Treasury, AMP

*The story has been the same for as long as I have been doing seminars and webinars – i.e. more than 15 years. Ex RBA governor Philip Lowe pointed out recently that there seems to be a view within the government that **'where there is a need, we'll spend'**,*

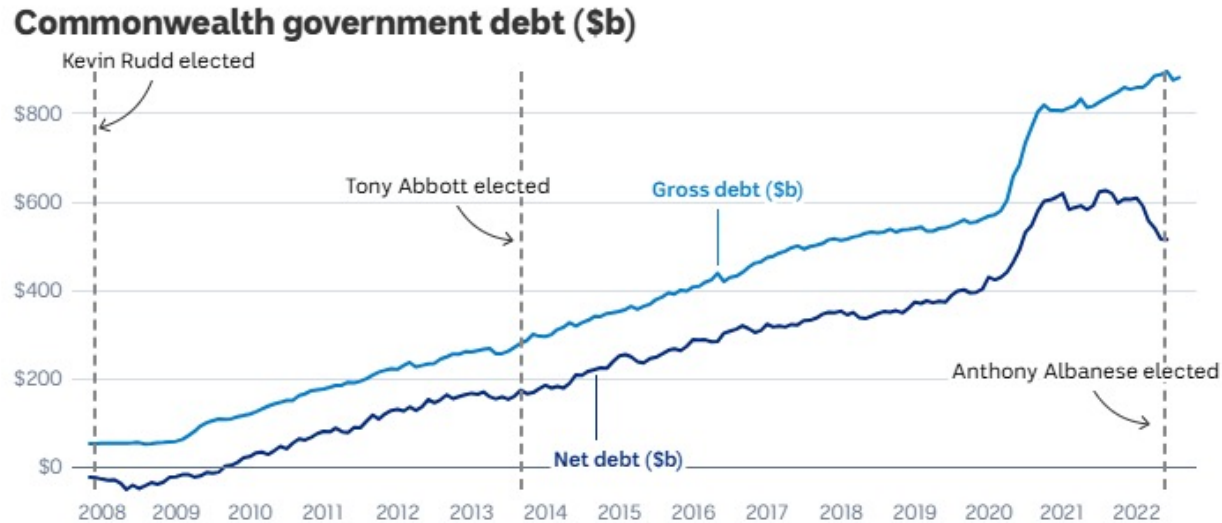
# Federal Budget Deficit Forecast



Source: Australian Treasury, AMP

*It's all Ok if somewhere into the mid 2030s the deficits subside ...  
but will they?*

## Problem #3: National Debt is exploding

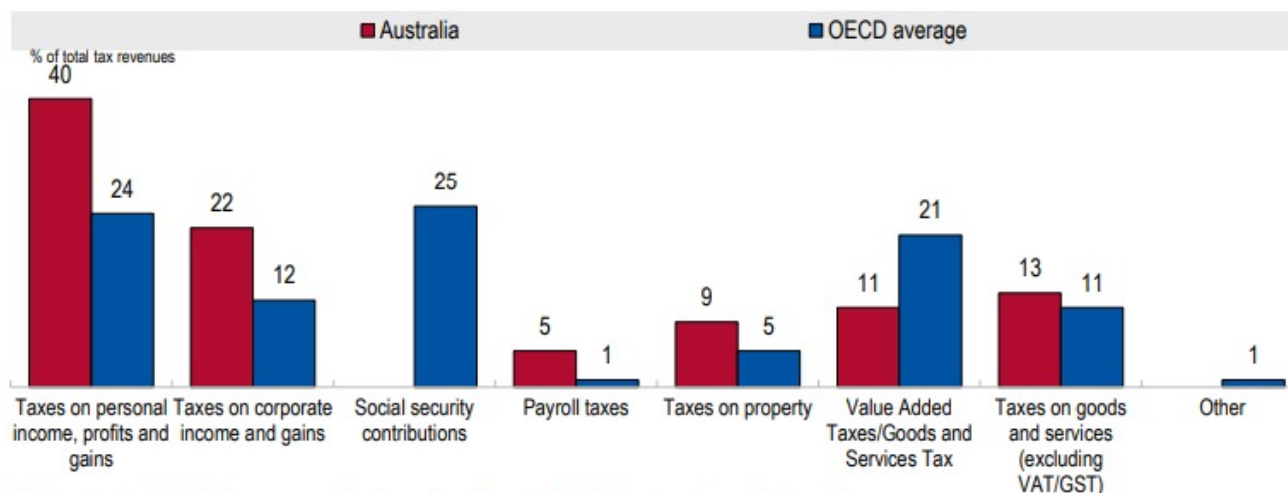


Gross debt shows the "face value" of government securities on issue at the end of month. Net debt shows general government sector net debt.

Chart: RMIT ABC Fact Check / Source: Gross debt: Australian Office of Financial Management; Net debt: Department of Finance monthly statements, Final Budget Outcome 2021-22 / [Get the data](#)

Net debt in 2007 when the Coalition government was in power was almost \$0. Since then, the level of debt has exploded with a big increase during COVID. The result is that the gross debt position is on the way to \$1 trillion. Of course, none of the debt will actually ever be paid back, which is a worry for many.

## Problem #4: Tax mix is skewed



Relative to the OECD average, the tax structure in Australia is characterised by:

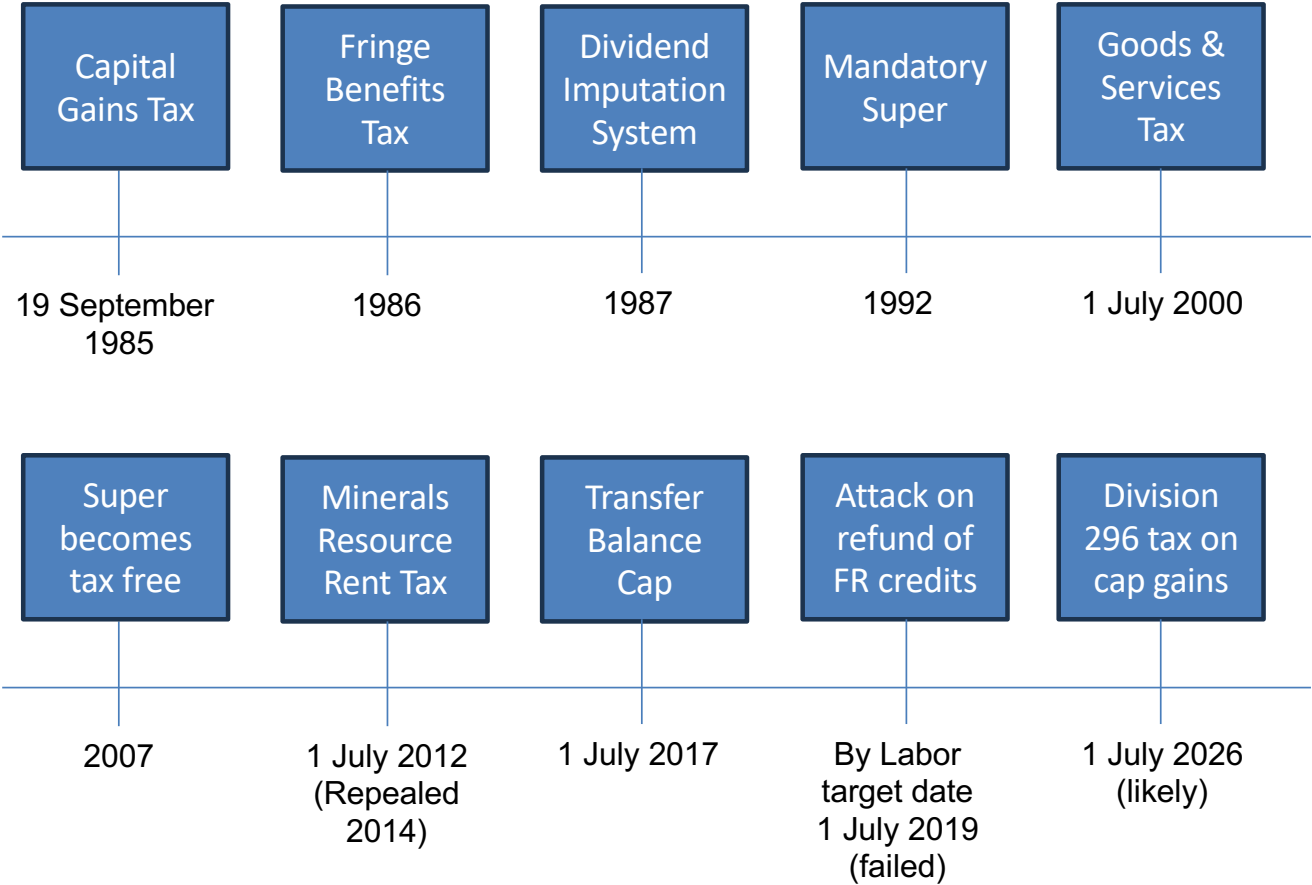
- » Substantially higher revenues from taxes on personal income, profits & gains, and higher revenues from taxes on corporate income & gains; payroll taxes; property taxes; and goods & services taxes (excluding VAT/GST).
- » A lower proportion of revenues from goods and services tax.
- » No revenues from social security contributions.

*Personal income tax and corporate taxes and the main sources of government revenue. In Australia, all of the GST collected is paid to the States, but the percentage is a lot lower than other OECD countries.*

# TAX



# Timeline of key changes



# Three principles of tax reform

Treasurer Chalmers pointed out that the Economic Reform Roundtable's view was that future tax reforms are consistent with the following three principles:

## 1. Fair go

Tax reforms that deliver a fair go for working people and young people. The Treasurer wants to view tax reforms through an '**intergenerational lens**' ... which probably means taxing retirees more and reducing the personal income burden on younger people.

## 2. Increased business investment

The argument is that investment is one element of **lifting productivity**, so it would seem logical that the Federal government would be keen on tax reforms that result in greater productivity.

One typical tax incentive to encourage greater investment is accelerated depreciation rates.

## 3. Simpler, sustainable

Tax reforms that make the system and more sustainable so that the government can fund the kind of services that families rely on.

This is code for '*we are not cutting spending to balance the budget*'.

# Key superannuation rules

## Contributions

Concessional Cap is currently **\$30,000** p.a.  
*Taxed at 15%*

From Non-Concessional Cap is **\$120,000** p.a. (or \$360,000 if 3-year bring forward rule is used)

*No tax on contributions*

NB: Need to pass Work Test to make concessional contributions between age 67 and 75

## Accumulation Phase



From 1 July 2025, Transfer Balance Cap increased to \$2 million.

This is the amount that can be converted from the Accumulation phase to the Pension phase

NEW: Additional 15% tax on capital gains where Total Super Balance is > **\$3 million**


## Pension Phase




## Minimum pension drawdown:

- 4% < 65
- 5% 65 to 74
- 6% 75 to 79
- 7% 80 to 84
- 9% 85 to 89
- 11% 90 to 94
- 14% > 95

# Increased taxes on superannuation

Proposed change	Additional capital gains tax of 15% on superannuation balances of more than \$3 million (known as 'Division 296' tax).
Rationale for the change	Superannuation system is too generous for wealthy Australians. Taxing unrealised capital gains has angered many superannuants and experts, but Treasury says it is the easiest way to calculate the tax.
Who will it affect?	Only 80,000 Australians affected initially, but if the threshold is not indexed, many more Australians could be paying the so called 'Division 296' tax in the future.
When will it apply?	Not yet legislated, but probably from 1 <sup>st</sup> July 2026.
Chances of implementation	 100%

# Abolition of negative gearing

Proposed change	Abolish the ability for taxpayers to offset losses on income account against other sources of income.
Rationale for the change	Negative gearing is effectively a subsidy to hold investment property assets and the benefit to taxpayers can be up to 47%, being the top marginal tax rate. When combined with a 50% discount on capital gains where an asset is owned for more than 12 months, it is argued this distorts the tax system.
Who would be affected?	Mostly mid range income earners as the wealthy typically have other ways to minimise their tax.
Potential revenue	\$5 billion (2019 figure).
Past experience	In July 1985, the the Hawke Government wound it back in 1985, but the policy was reversed in 1987 due to lobbying and reports of skyrocketing rents and a reduced supply of rental properties.
Chances of implementation	 <10%

# Reduce / abolish capital gains tax discount

Proposed change	Reduce capital gains discount which for resident taxpayers is 50% where an investment has been held for more than 12 months.
Rationale for the change	Discount makes it more attractive to build up capital gains rather than earn income.
Who would be affected?	Investors.
Potential revenue	\$2 billion (2019 figure).
Past experience	When capital gains tax was introduced, indexation of the cost base ensured the tax applied only to gains over and above the inflation rate. From 20 September 1999, indexation was replaced with a 50% discount.
Chances of implementation	<b>10-20%</b>

# Tax on trusts

Proposed change

One option Treasury might be considering is to apply a flat tax rate to trust distributions, say 25% or 30%, as a way to neutralise income-splitting benefits and reduce complexity.  
Another suggestion is to tax trusts like companies.

Rationale for the change

About 1.7 million people receive close to \$60 billion from trusts in FY24, which the Treasury sees as a generous and growing point of revenue leakage.

Who would be affected?

Beneficiaries.

Potential revenue

\$5-10 billion.

Past experience

Keating announced that trading trusts would be taxed as companies in 1985 ...  
Costello proposed to tax family trusts like companies in the late 1990s ...  
In 2017, the Australian Labor Party announced that they would introduce a 30% tax on distributions if they won the 2019 federal election ...

Chances of implementation



<10%

# Inheritance tax

Proposed change

Impose a tax on an individual's estate after they die or tax the recipient of an estate.

Rationale for the change

Baby Boomers, who are Australia's richest generation, are expected to transfer \$3.5 trillion of wealth to younger generations in the coming decades. Many OECD countries have inheritance taxes and it could be argued that not having an inheritance tax is a 'gap' in the Australian tax system

Who would be affected?

It could be restricted initially to the wealthy – say net assets of more than \$5 million or \$10 million.

Potential revenue

Would need to be worth more than \$5 billion per annum to make it worth the fight with the electorate ... and dealing with the 'Death Tax' headlines.

Past experience

By 1979, all Australian jurisdictions had abolished inheritance taxes due to growing public sentiment against "death taxes" and concerns about their impact on family businesses and farms.

Chances of implementation



<10%

# Wealth tax

Proposed change

A new tax plan put forward by an Australian think tank could raise \$41 billion a year if adopted. Recently, the *Australia Institute* proposed a 2% wealth tax on people worth more than \$5 million.

Rationale for the change

Comm Bank argue that “Our tax base is too narrow and overly reliant on income tax receipts. Left unchanged, future generations will bear a growing tax burden in an ageing population with a growing dependency ratio.”  
The bank said that this tax reform should include consumption and wealth taxes to ensure distributional fairness and to incentivise productive activity across the economy.

Who would be affected?

Initially, top 5% of Australians.

Potential revenue

\$41 billion per annum.

Chances of implementation



<10%

# Increase GST

Proposed change

Increase GST to 12.5% or even 15% and for the extra tax to flow to the Federal government instead of being allocated to the States as is the case now.

Rationale for the change

Arguments for increasing the Goods and Services Tax (GST) centre on its potential to boost government revenue, improve the efficiency of the tax system, and fund productivity-enhancing reforms, such as cutting income tax. As previous Treasurer, Joe Hockey, once commented, it is very costly to compensate Australians on low incomes, not to mention the electoral backlash at a time when it seems that inflation has only just been tamed

Who would be affected?

All consumers.

Potential revenue


\$21-32 billion per annum minus the amount needed to compensate pensioners and other low-income earners.

Chances of implementation




<10%

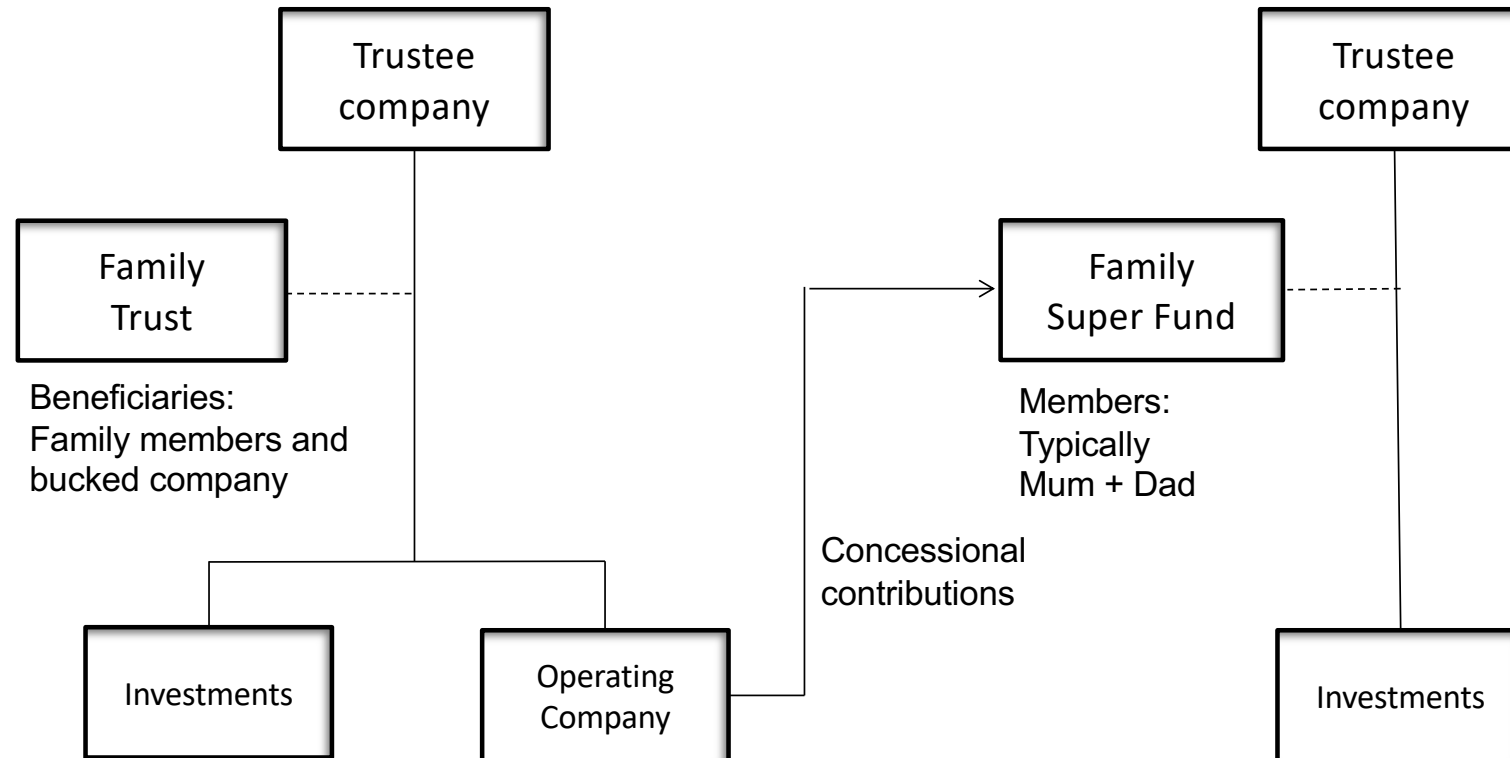
# Changes to tax residence rules

Proposed change	In the 2021 Federal Budget the Australian Treasurer indicated that the current Australian tax residency rules would be replaced with a "new, modernised framework". This included a 45-day test combined with factor tests.
Rationale for the change	Existing rules are complex, wishy washy and outdated, and can make it hard to determine when an individual has actually ceased to be tax resident of Australia.
Who would be affected?	Those intending to leave Australia to work overseas for a significant period of time. Those intending to repatriate / retire to Australia. Those intending to work in or migrate to Australia.
Potential revenue	Not determined.
Chances of implementation	 >50%

# Citizenship based tax system

Proposed change	Tax Australian citizens on their worldwide income, US style.
Rationale for the change	Generate additional revenue.
Who would be affected?	Some of the 1 million Australian expats living overseas. Australians who have retired overseas.
Potential revenue	Not determined.
Chances of implementation	 <1%

## Current gold standard for tax planning



*If you add in testamentary trust provisions within wills and other appropriate estate documents, you can go a long way to optimising your tax position. Time will tell as to the extent to which the upcoming tax reforms impact on the above structuring options.*

## Potential repatriation strategies

Strategy	Why?
Aim to have main residence paid off prior to retirement.	<ul style="list-style-type: none"> <li>Interest paid on mortgage for main residence is not tax deductible.</li> </ul>
Do NOT sell previous Australian main residence while a foreign resident.	<ul style="list-style-type: none"> <li>Any pre-existing CGT exemption will be lost.</li> </ul>
Sell surplus overseas assets prior to returning / moving to Australia.	<ul style="list-style-type: none"> <li>Individuals who are tax resident of Australia pay tax on their worldwide income.</li> </ul>
Retain gearing on property investments.	<ul style="list-style-type: none"> <li>Interest paid in earning income is tax deductible.</li> </ul>
Boost superannuation contributions if over age 50.	<ul style="list-style-type: none"> <li>Superannuation is ultimately a tax-free way to fund your retirement.</li> <li>Contribution limits mean you need to plan ahead to reach maximum pension amount.</li> </ul>
Consider other tax effective investment products.	<ul style="list-style-type: none"> <li>Minimise overall tax position.</li> <li>Diversify across international assets</li> </ul>

***The strategies you should consider will depend on key factors such as your age, how long you intend to remain overseas and how long before you retire***



# CASE STUDY

Moving To Australia



SKYBOUND  
WEALTH MANAGEMENT

## CASE STUDY

### John & Jane Brown – Age 46

- **Cash** – 200K CHF
- **John** – Swiss second pillar pension – 450K CHF  
*(had bought back within last three years).*
- **Jane** – Swiss second pillar pension – 520K CHF
- **Swiss property** – CHF 2,320,000 (Mortgage CHF 1,400,000)



# CASE STUDY - JOHN & JANE BROWN – AGE 46

## Objectives

- Sell Swiss property, purchase property in Australia for circa AUD 3M.
- Kids' education – private school 30K AUD p.a. x 3. (Age 6, 9, 10)
- Retirement – target income 15K AUD per month. (from 65)

## Advice

- Open foreign life policy in Switzerland (utilising some of the cash savings) before moving to Australia.
- Continue to add to foreign life policy with surplus income between now and retirement.
- Tax rules on Swiss pensions when moving to Australia.
- Transfer Swiss pensions into foreign life policy – half of Jane's went into their Australian property.
- Set up superannuation in Australia



# CASE STUDY - JOHN & JANE BROWN – AGE 45

## Foreign Life Policy

- Policy benefits from gross roll-up. No Australian taxation applies before benefits are taken from the policy by withdrawal or surrender.
- When benefits are taken from the policy, depending on the period of ownership, any gains may be taxable as Ordinary Income.
- Under section 26AH of the Australian Income tax Act 1936, gains on certain life assurance policies are treated as a 'bonus' from an 'eligible policy' during an 'eligible period'.
- *'Eligible policy'* – began after 27th August 1982
- *'Eligible period'* – for policies that commenced after 7 Dec 1983, is the first 10 years from the start date of the policy.

**Years 1-8** – 100% of bonus is assessable.

**Years 9** – 2/3rds of the bonus is assessable.

**Years 10** – 1/3rd of the bonus is assessable.

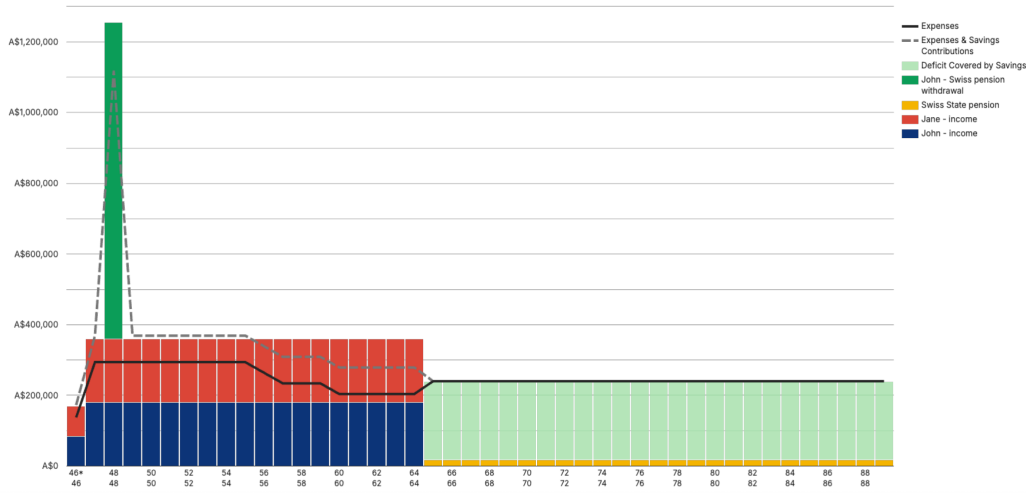
**Year 11 onwards** – bonus isn't assessable.

- 10 year period recommences when total premiums paid in a policy year exceeds more than 125% of the previous years contribution.



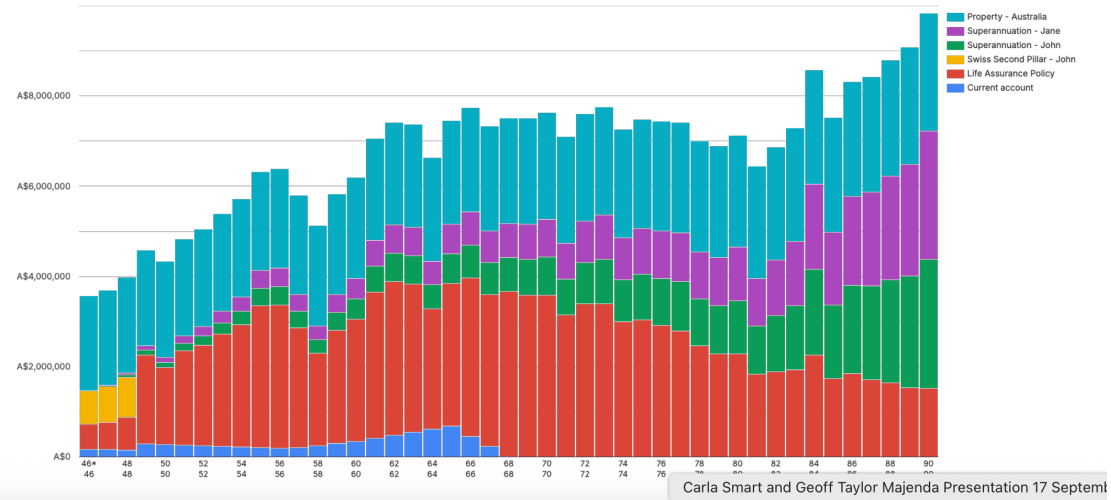
## Cashflow Forecast

(In real terms)



## Savings Over Time

(In real terms)



Carla Smart and Geoff Taylor Majenda Presentation 17 Septem



# CASE STUDY

## Retiring in Switzerland



SKYBOUND  
WEALTH MANAGEMENT



## CASE STUDY

### Michael and Anne Roberts - Age 60 and 58

- **Cash** – 300K AUD
- **Property** – Family Home (Sydney) – 2.2M AUD
- **Investment property** – (Sydney) – 1.1M  
(Mortgage 300K AUD, rental income AUD 35K p.a.)
- **Superannuation** – AUD 1.6M (Combined Michael 900K AUD and Anne 700KM AU)
- **Family Trust** – Australian Shares AUD 800K  
(Franked dividends Approx AUD 30K p.a.)
- **Swiss Share Portfolio** – CHF 150K



# CASE STUDY – Michael & Anne Roberts

## Objectives

- Retire in Switzerland from 2026 onwards
- Generate retirement income of AUD 160K equivalent per year.
- Leave inheritance for children
- Decide whether to sell or retain Sydney investment property.

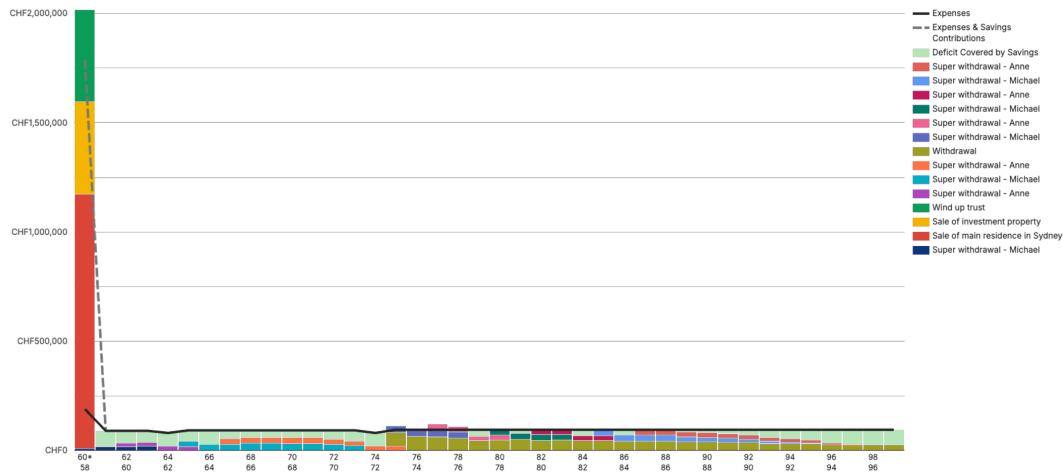
## Advice

- Property – Sell family home & investment property before departure to benefit from CGT discount.
- Superannuation – Commence pensions. Monitor Division 296 tax risk if balances grow.
- Family trust – Non-resident taxation of distributions. Potential loss of franking credit benefits. Wind up before leaving to avoid punitive non-resident tax. Realise gains under residence rules (50% CGT discount). Reinvest proceeds into foreign life policy.
- Foreign Life policy / Investment platform – contribute CHF 600K for long term growth – can be used for supplementary income stream.
- Estate planning – wills & testamentary trusts across two jurisdictions. Use beneficiary nominations (super and life policy) to bypass probate and simplify succession.



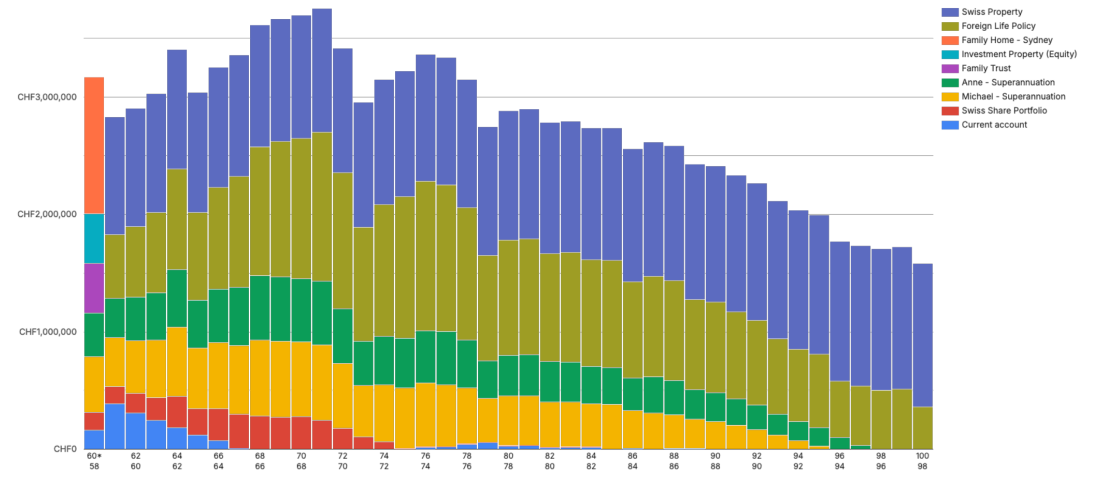
## Cashflow Forecast

(In real terms)



## Savings Over Time

(In real terms)

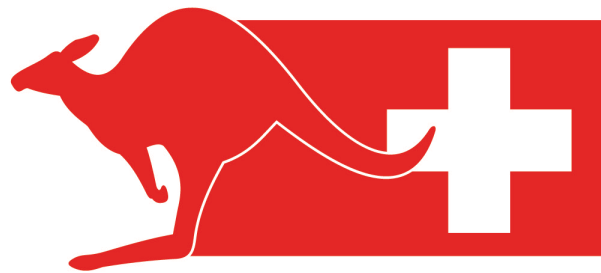


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THANK YOU!  
ANY QUESTIONS?



SKYBOUND  
WEALTH MANAGEMENT



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