

Editorial Note

Welcome to the latest edition of the Pilot Directions newsletter.

As we reach the end of another financial year, the operating environment for Australian businesses has shifted again.

Globally, uncertainty continues to weigh on confidence and planning, adding volatility to markets, and disrupting supply chains. Closer to home, the Federal Budget handed down in mid-May included several significant measures that will impact businesses and investors. If you'd like more detail on the

Budget announcements, see our News & Insights page in this edition.

With current indicators highlighting political risks both locally and internationally, our article on Risk Management is a timely reminder of the importance of developing and implementing a robust approach and framework for your business to manage risk and support your strategic objectives.

This quarter we profile two exciting leadership appointments at Pilot Partners. Terence Brueton joins the firm as Partner in the Corporate Advisory team, and Tom Howard has been promoted to Partner in our Taxation Advisory team. I congratulate both Terence and Tom and look forward to collaborating with them and seeing the

positive impacts they will have for our clients and our firm. You can read more about these appointments in the article below.

Our 'News & Insights' section provides the latest news and updates on a number of topics we trust you will find useful and interesting.

We hope you enjoy this edition.



MURRAY HOWLETT



New Partner Appointments

We're pleased to share two partner appointments that strengthen Pilot's service offerings.

Terence Brueton joined Pilot as Partner in our Corporate Advisory team on 1 June 2026, and **Tom Howard** has been promoted to Partner in our Taxation Advisory team, effective 1 July 2026.

Terence brings more than 20 years' audit and assurance experience, with a strong focus on delivering high-quality statutory audits, financial reporting and regulatory compliance outcomes for clients. Terence also helps clients use audit insights to better understand risk, strengthen governance and support informed decision-making. His appointment enhances Pilot's ability to deliver robust, integrated, end-to-end advice across audit, risk and broader corporate advisory services.

Managing Partner Murray Howlett said Terence's appointment reflects Pilot's

continued investment in leadership and capability to meet evolving client expectations.

"In our experience, clients are increasingly looking for advice that goes beyond compliance," Murray said.

"Terence brings deep audit and assurance expertise, combined with a practical understanding of business risk, governance and strategy. That strengthens our ability to deliver more integrated, end-to-end support to clients."

Terence works closely with clients to understand their operations and strategic objectives, identifying opportunities where Pilot can support them across risk advisory, internal audit, governance and broader Corporate Advisory services.

Tom's promotion to Partner recognises his significant contribution to the firm over the past 10 years with Pilot's Taxation Advisory team. During this time, Tom has built a strong reputation for providing his clients with clarity and opportunities in the complex world of taxation. His expertise spans from corporate tax, to complex trust, estate and international tax matters. Tom has become a trusted adviser and has formed solid relationships with his clients.

Known for his technical expertise and client focused approach, Tom works closely with clients to navigate increasingly complex tax environments, frequently collaborating with colleagues across the firm to ensure advice is aligned with clients' broader commercial and personal objectives.

Murray said Tom's appointment reflects both his technical capability and the important role he has played in strengthening Pilot's tax offering in key growth areas.

Together, these appointments demonstrate Pilot's ongoing investment in leadership and capability across its core services, ensuring we are well placed to support our clients with high-quality and forward-looking advice.

Please join us in congratulating Terence and Tom.



Terence Brueton & Thomas Howard



Managing Risk in a Crazy World

We all have to manage risk. But how well do we do it? Some basic questions to ask yourself are:

1. Is your approach to risk management largely reactive or proactive?
2. Is it impressionistic and arbitrary rather than documented and structured?
3. If asked what your approach to risk management was, would you fumble or give a coherent and comprehensive response?
4. Have you experienced problems (or even disasters) which should have been prevented and were preventable but for a failure of management?
5. Is your approach to risk management in accordance with best practice (AS ISO 31000 Risk management – Guidelines)?

Depending upon your **honest** answers, you will know whether you should read on or can turn straight to the back page of the newsletter.

What is a Risk Management Framework?

So, what is a Risk Management Framework or Plan? Let's start apophatically (look it up). It cannot predict the future. It does not guarantee that problems will not happen. It does not guarantee that you will achieve your objectives. So, why bother?

A Risk Management Framework is a structured analysis of the exposure to risk of your business. It allows you to focus on areas which are likely to be of greater concern. It stops you trying to address everything or nothing or the merely incidental (however interesting or easy the latter may be to address). By analysing your business in different areas, identifying and evaluating the risks in those areas and assessing whether your current responses to those risks is adequate or excessive will enable you to deploy the resources of your business (including time) more effectively and

efficiently. A Risk Management Framework should be developed to support your strategic objectives.

Whether your strategic objectives are clear and well-known is perhaps a matter for another article; nevertheless, you will have some. However, if you develop strategic objectives without considering what the uncertainties and obstacles to achieving them are, you may as well not bother. A Risk Management Framework helps you to understand what those uncertainties and obstacles are and to direct your attention towards managing them. Performance also has a better chance of improving if you consider and manage uncertainty proactively. This will not guarantee the achievement of your objectives but it will help. You cannot predict or prevent the future but you can plan rationally for it.

The benefits of a Risk Management Framework

If you don't have a Risk Management Framework, the future will still happen, you may even avoid some pitfalls but it will always be more by luck than design. Now I cannot say that you will secure cheaper debt if you have a provable and active Risk Management Framework, but it will help your relationships with your financiers, if not other stakeholders; and that must surely reap some benefits. A lack of one will make such benefits harder to secure. Risk Management not only forms part of the responsibilities of those in governance and leadership but can also be positive evidence of the existence and nature of that governance and leadership. Conversely, its absence is evidence of a failure or absence of governance and leadership.

Furthermore, all large companies must comply with AASB S2 Climate-related Disclosures from 1 July 2027 (if not sooner). AASB S2 requires relevant companies to disclose the processes and related policies to "identify, assess, prioritise and monitor climate-related risks". Only a documented Risk Management Framework, including climate-related risks, can provide you with actual, coherent and consistent information to satisfy the disclosure obligation.

What does best practice look like?

However, there are things to be avoided in developing a Risk Management Framework.

It must be practical and sail between the Scylla of too much and the Charybdis of too little detail. The former can overwhelm, whilst the latter provides no insight: both are useless. It must interact with the business and support the strategic objectives of the business. It must not be self-enclosed, generating frequent and pointless reports and meetings which are wholly self-serving. It must also be proactive and iterative: a document that sits at the bottom of a drawer – perhaps along with your long-forgotten strategic plan – is a waste of time. The occurrence of some or all of these delinquencies is an incentive to develop an effective Risk Management Framework: it is not an excuse to abandon the whole exercise. Risk Management Frameworks, even perhaps in spite of your experience, do not all have to operate like that – only bad ones. Finally, a Risk Management Framework which adopts and adapts the principles, framework and process of AS ISO 31000 Risk management – Guidelines can also claim to be following best practice.

How Pilot can help

Pilot Partners can assist with the development of Risk Management Frameworks, facilitating the process, providing template documentation to be tailored to your business needs and helping you achieve a practical, interactive, proactive and iterative approach to risk which also meets best practice standards.

You know what your financials are and you know what you want to achieve and, no doubt, you can prove these. And, you say that you do manage risk? Prove it. Show me. If you can't, you don't.

Contact Pilot

Risk Management is a complex and evolving area that requires a structured and considered approach to manage effectively.

If you would like to discuss any of the above areas and how they apply to your business, or need clear, practical guidance to help develop and implement risk management measures tailored to your business, contact our Risk Advisory specialists, **Daniel Gill** or **Chris King** on (07) 3023 1300.



Client News

Congratulations to Pilot Partners clients Jonathan & Georgia Drew and Drew Group, on the successful completion of Lagoon Main Beach, a curated selection of one, two and three-bedroom apartments, along with a Signature Collection of three and four bedroom penthouses, across a 56-level, two-tower construction. The Lagoon Main Beach development has been built with a focus on sustainable living and a strong sense of community connection, contributing significantly to the evolution and transformation currently underway for the Main Beach area. Well done Jonathan and Georgia Drew!



Lagoon

MAIN BEACH



Holiday Homes Tax Update

The Australian Taxation Office (ATO) has released finalised guidance with TR 2026/1 and PCGs 2026/2 and 2026/3, clarifying how rental income and expenses are treated where properties are also used as holiday homes. The rules outline when income is assessable and when deductions can be claimed, including how to apportion expenses between income-producing and private use periods. The ATO says that to claim most deductions, the property must be primarily used to generate assessable income. If private use is more than minor, many expenses will be denied. Where only limited private use occurs, deductions must be apportioned on a time or area basis. The guidance also covers the ATO's views on short-term rentals and sets factors for determining commercial availability.

Federal Budget Updates

This year's Federal Budget signals a clear shift towards higher and more complex taxation of private structures. The combination of Capital Gains Tax (CGT) changes, the discretionary trust minimum tax, and negative gearing restrictions represents a fundamental shift for hundreds of thousands of small business owners. If you missed our 2026 Federal Budget analysis and commentary, you can catch up on our comprehensive coverage and insights by scanning this QR code to view our website article and Federal Budget resources. We will continue to update this information as the Government releases further detail relating to the Budget announcements.

▶ Scan **QR Code** to view the latest update relating to the Budget announcements



Welcome to the team

Pilot welcomes the following new team members.

This quarter we welcomed a number of new team members.

Terence Brueton joined Pilot as Partner in the Corporate Advisory team. He brings more than two decades of Audit and Assurance experience gained across roles within Australia and abroad.

Patrick Read joined Pilot as a Graduate Accountant in the Forensic Accounting & Restructuring team after completing a Bachelor of Commerce at the University of Queensland.

Lucky Merta joined us as Receptionist and Administration Assistant in the Admin Team.

Lydia Redman joined the Forensic Accounting & Restructuring team as a Graduate Accountant. She has a Bachelor of Commerce from Victoria University of Wellington in New Zealand.

Congratulations

Happy 15-year Pilot anniversary to **Cain Hammond** from our Business Advisory team. We appreciate your hard work, energetic spirit and the contribution you've made to the firm during your 15 years. Congratulations on reaching this incredible milestone!

Congratulations and happy 5-year Pilot anniversary to **Rebecca Paterson** from our Taxation Advisory team, who joined Pilot as a graduate. Thank you Rebecca for your commitment and contributions during this time.

Socials & Events



Federal Budget Lunch



Federal Budget Lunch



QLS Symposium



IWD Breakfast



IWD Breakfast




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