Answerable

30 June 2027

Business Valuation Guide

Own a business? 30 June 2027 could be an important date.

A PLAIN-ENGLISH GUIDE FOR AUSTRALIAN BUSINESS OWNERS · REVIEWED 3 OCTOBER 2026

IN ONE MINUTE

The short version

Australia's CGT rules change on 1 July 2027. For some owners, what their business, shares or business interest was worth at 30 June 2027 may matter later, when they sell, transfer or restructure.

- ✓ Not every business owner needs a valuation. Your accountant or tax adviser decides whether the new rules apply to you.
- ✓ Nothing falls due on 30 June 2027 itself. The value at that date may be looked back to when you eventually sell.
- ✓ Proving what a private business was worth years earlier is hard. Keeping evidence from the time is the simplest thing you can do now.
- ✓ A valuation done today is a valuation at today's date. A 30 June 2027 value needs a valuation at that date.
- ✓ An independent valuation is not built for the highest number. It should be the most supportable value on the evidence.

WHAT THIS GUIDE IS NOT

General information, not tax, legal or financial advice. Answerable provides valuation services only. It does not calculate tax or decide how the rules apply to you.

INSIDE

1. Why 30 June 2027 may matter
2. Who should speak with their accountant
3. What information to preserve
4. How a business valuation works
5. A simple owner checklist

CHAPTER 1

Why 30 June 2027 may matter

One date splits the growth in a business's value into two parts: the growth already built, and the growth still to come.

BEFORE 1 JULY 2027

Value already built

Growth up to the date keeps the old treatment.

30 JUNE 2027

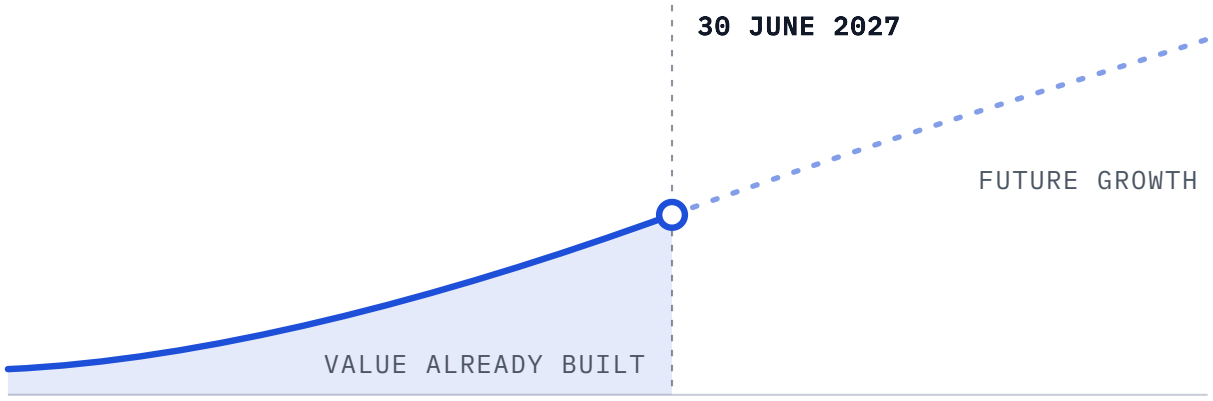
Potential valuation date

The line between the old rules and the new.

AFTER 1 JULY 2027

Future growth

Growth from here falls under the new rules.



For some owners, being able to show what the business was genuinely worth at 30 June 2027 may become important later. That could be years away. The problem is that proving what a private business was worth years earlier can be difficult, so it may make sense to document the value while the evidence is still available.

We are not saying everybody needs a valuation. Your accountant or tax adviser should first work out whether the new rules apply to you.

CHAPTER 2

Who should speak with their accountant

The 30 June 2027 value is most likely to be worth a conversation if:

- ✓ You own all or part of a private business.
- ✓ You hold shares in a private company.
- ✓ Your business is run through a trust or partnership.
- ✓ Your business has built goodwill or grown in value.
- ✓ You expect strong growth from here.
- ✓ You may sell, transfer, restructure or hand it on one day.

Questions to take to your accountant

- Do the new CGT rules apply to my business, shares or business interest?
- Who owns what: me, a trust, a company, or a mix? Does that change anything?
- Should we rely on market value at 30 June 2027, or the other method?
- If market value matters, what exactly needs valuing, and at what date?
- What records should I be keeping between now and June 2027?

Who does what

Your accountant or tax adviser

- Whether the new rules apply to you, and to which assets
- Whether to rely on market value or another method
- Your tax, and how the valuation is used in your return

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- The independent market value of the agreed business or interest
- At the agreed date, for the agreed purpose
- The evidence file behind the number, kept on record

We do not calculate tax or give tax advice.

CHAPTER 3

What information to preserve

You might be able to. But proving an old value can become much harder.

Customers

Who were your major customers at the time?

Contracts

What agreements and recurring revenue existed?

Forecasts

What did the business genuinely expect to happen?

People

How dependent was the business on the owner or key staff?

Risks

What risks were known at the time?

Market

What was happening in the industry?

Your financial statements may survive. The commercial story behind them may not.

Keep these four kinds of record

Financials

- financial statements
- tax returns
- management accounts
- assets and debts
- unusual expenses

Business

- major customers
- recurring revenue
- contracts
- suppliers
- employees
- systems
- IP and licences

Future plans

- budgets
- forecasts
- expansion plans
- genuine business plans that existed at the time

Risks

- customer concentration
- owner dependence
- regulatory issues
- supplier dependence
- known legal or operational issues

Don’t manufacture information later. Preserve what genuinely existed at the time.

What a valuer looks at in your industry

Trades and services

- Maintenance contracts
- Customer concentration
- Staff and subcontractors
- Vehicles and equipment

Health practices

- Practitioner dependence
- Patient base
- Recurring revenue
- Referral sources

E-commerce

- Customer acquisition
- Repeat purchase rate
- Brand
- Inventory

Professional services

- Client concentration
- Recurring work
- Key people
- Work in progress and debtors

Hospitality

- Lease
- Location and trade
- Staff
- Licences

The full list for each industry is on our website: answerable.com.au/cgt-2027-business-valuation/#industry

CHAPTER 4

How a business valuation works

What gets valued

Always something specific: the whole business, your shares in the company, units in a unit trust, or a share of a partnership. A part interest is not always worth the same proportion of the whole: control and the shareholders agreement can change the answer.

The date, and why it is strict

The new rules use the value just before 1 July 2027: in practice, the end of 30 June 2027. A valuation at that date can only use what was known or reasonably foreseeable at that date. No hindsight, in either direction.

How the number is worked out

- Profit is adjusted to what a new owner could expect: a market wage for the owner, private and one-off items removed.
- The adjusted earnings are tested for reliability: customers, owner dependence, lease, staff, contracts, trends.
- A rate or multiple is chosen from that risk and from evidence of what similar businesses sell for.
- Surplus assets and debts are added or taken off to reach the value of the interest being valued.

Isn’t there an ATO calculation?

There may be another method for working out how a gain is split over time. But that is different from working out what a private business was actually worth on a specific date.

A calculation

May use information such as: original cost, eventual sale price, time held.

A business valuation

Looks at the actual business: earnings, customers, recurring revenue, contracts, brand, intellectual property, employees, systems, owner dependence, risk, market evidence.

An independent valuation is not designed to produce the highest possible number. It should arrive at the most supportable market value from the evidence available. Which method suits you is a decision for you and your accountant.

CHAPTER 5

A simple owner checklist

Tick these off between now and June 2027. Keep everything in one folder, dated, with the originals unchanged.

- [ ] Ask your accountant whether the new rules could apply to you
- [ ] Financial statements and tax returns for the last three years
- [ ] Monthly management accounts through 2026-27
- [ ] A balance sheet at 30 June 2027, with assets and debts listed
- [ ] Notes on unusual or one-off income and expenses
- [ ] Revenue by customer, and major customers won or lost
- [ ] Contracts, leases and supply agreements in force at 30 June 2027
- [ ] Recurring revenue records (subscriptions, memberships, maintenance)
- [ ] Staff list with roles, and any change in key people
- [ ] Licences, registrations, systems and intellectual property
- [ ] Budgets and forecasts prepared before or around 30 June 2027
- [ ] Genuine plans in train at the time (and any offer to buy)
- [ ] Known risks: customer, owner, supplier, regulatory, legal
- [ ] Dashboards and online reports exported to PDF at the time
- [ ] One folder for all of it, with dates, originals unchanged

NOW

Ask your accountant whether the new rules could apply. Start organising evidence.

BEFORE 30 JUNE 2027

Preserve important commercial records, forecasts and business information.

AROUND 30 JUNE 2027

Capture the position of the business around the valuation date.

AFTER YEAR END

Add reliable final financial information and complete the valuation.

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WANT US TO TAKE A LOOK?

Ask your accountant first. Then, if you need the value, ask us.

If your accountant tells you the 30 June 2027 value matters, we can independently establish and document it, for the agreed business or interest, at the agreed date, for the agreed purpose. The first conversation is confidential.

IF YOU NEED IT

CGT 2027 Valuation Package: $1,995 + GST for an established business with annual turnover under $2 million. A valuation now, with the update to 30 June 2027 included at no additional professional fee. $2 million or more: the same package at a fixed fee confirmed in writing on the first call.

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answerable.com.au/cgt-2027-business-valuation/

Answerable provides valuation services only. Obtain taxation advice from your accountant or tax adviser as to whether the new rules apply to your circumstances. General information only, not tax, legal or financial advice. No valuation carries ATO approval because of who prepared it: the ATO says acceptability usually depends on the valuation process. You can apply to the ATO for a private ruling on an asset's market value, but it will not give one on the market value for a future event, so no ATO confirmation of a 30 June 2027 value is available before that date.

Sources (checked 3 October 2026): Tax reform: reforming negative gearing and capital gains tax (QC107304) (Australian Taxation Office); Treasury Laws Amendment (Tax Reform No. 1) Act 2026, sections 112-155 to 112-185 (Federal Register of Legislation); Capital Gains Tax and Discretionary Trusts Reform: small business explainer (The Treasury); Consultation on next tranche of tax reform legislation (4 August 2026) (The Treasurer); Market valuation for tax purposes (Australian Taxation Office).

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