

2026 EDITION

Financial Health Checklist

for Australians

CLARITY IN 10 MINUTES · 18 CHECKPOINTS · UPDATED Q1 2026

Most People Don't Know Their Financial Position

The uncomfortable reality: most Australians track income, not net position.

A proper financial health check evaluates structure, tax efficiency, risk exposure, debt positioning, and long-term alignment — not just savings balance. Most people optimise for the visible metric while the invisible ones compound against them.

This checklist gives you clarity in 10 minutes. Work through each section honestly. The score at the end is less important than the gaps it reveals.

You can't improve a position you haven't measured. This checklist is your starting point — not a judgment, but a map.

SECTION 1 OF 5

Cash Flow & Liquidity

The foundation of all wealth creation is knowing and controlling the flow of money. Before any investment strategy can succeed, the plumbing must be right.

- Do you know your monthly surplus after all expenses?**
If you don't know your surplus, you can't invest intentionally. Wealth creation requires consistent, deliberate capital allocation — not leftover money.
- Do you hold 3–6 months of expenses in accessible cash?**
Liquidity prevents forced asset sales. Without a buffer, market downturns become personal financial crises. This is protection for your growth assets.
- Is your debt structured efficiently — not just at a low rate?**
Offset vs redraw matters. Tax deductibility matters more. A mortgage that looks cheap may be costing you thousands in lost deductibility and compounding drag.

INTERNAL RESOURCE

See our Home Loan Strategy page for a detailed breakdown of debt structuring, offset account optimisation, and the real cost of poorly structured borrowing.

SECTION 2 OF 5

Superannuation & Retirement Structure

Superannuation is Australia's most tax-advantaged wealth vehicle. Most Australians dramatically underutilise it — not through ignorance, but through inaction and default settings.

Are you maximising concessional contribution caps?

The 2026 cap is \$30,000 per annum including employer contributions. Unused carry-forward caps from prior years are often ignored — and represent a significant, time-limited opportunity.

Do you understand your super investment allocation?

Most people are defaulted into mediocre, one-size-fits-all allocations. Your allocation should reflect your age, risk capacity, and retirement timeline — not a fund default.

Have you assessed whether an SMSF is suitable?

Not for everyone — but powerful for the right structure. If your combined balance exceeds \$350,000–\$500,000 or you have specific investment objectives, an SMSF warrants serious evaluation.

INTERNAL RESOURCE

See our SMSF vs Industry Super guide for a full cost-benefit framework and decision criteria to determine which structure suits your position.

SECTION 3 OF 5

Tax Efficiency

Tax is the single largest cost in most Australian wealth journeys. Unlike investment returns, tax efficiency is within your direct control — yet most people address it reactively, not strategically.

Are you legally minimising tax exposure?

Strategy beats last-minute accounting. The difference between proactive tax planning and reactive lodgement is often tens of thousands of dollars annually — and exponentially more over time.

Have you reviewed trust or investment structures in the last 12 months?

High earners often leave six figures on the table. Family trusts, corporate beneficiaries, and investment bonds can dramatically reduce effective tax rates on investment income and capital gains.

Do you understand the long-term impact of tax drag on your portfolio?

Even 1% annual inefficiency compounds dramatically. An investor paying 47% tax on 8% returns effectively earns 4.24%. Over 30 years on a \$500,000 portfolio, the difference is in the millions.

INTERNAL RESOURCE

See our Tax Minimisation blog for a comprehensive guide to legal strategies, entity structures, and timing techniques for Australian investors.

SECTION 4 OF 5

Risk & Protection

Wealth creation without protection is architecture without insurance. A single unprotected risk event — illness, death, estate dispute — can erase years of accumulation. Protection isn't a cost. It's structural.

Do you have appropriate income protection coverage?

Cash flow protection matters more than asset protection. Your ability to earn is your most valuable asset. Without income protection, illness or injury dismantles your entire wealth strategy.

Are your super beneficiaries correctly and currently nominated?

Binding nominations are often outdated or non-existent. A lapsed nomination leaves distribution entirely at trustee discretion — which may not reflect your wishes or minimise tax on death benefits.

Do you have a valid, current will — reviewed in the last three years?

Estate planning is structure, not paperwork. A will that predates your marriage, children, property, or business interests may be worse than no will at all. Regular review is not optional.

INTERNAL RESOURCE

See our Estate Planning page for a full overview of binding nominations, testamentary trusts, powers of attorney, and intergenerational wealth protection strategies.

SECTION 5 OF 5

Wealth Growth Alignment

The final section addresses strategic alignment: whether your investment activity is deliberate, documented, and coherently positioned for long-term wealth creation — or reactive and fragmented.

- Do your investments align with your actual time horizon?**
Risk profile must match time horizon. Growth assets require time to recover from volatility. If your investment structure doesn't reflect when you'll need capital, you're exposed to forced, poorly-timed decisions.
- Are you investing with a written, reviewed strategy?**
If it's not documented, it's reactive. A written investment strategy forces clarity on objectives, risk tolerance, asset allocation, and review triggers — removing emotion from execution.
- Do you know your projected retirement shortfall or surplus?**
Clarity removes anxiety — and reveals action. Most Australians have never modelled their retirement position. Understanding the gap is the first step to closing it with precision rather than panic.

Your Financial Health Score

Count the number of items you checked above. Use the framework below to interpret your result — and identify where to focus next.

SCORE	FINANCIAL HEALTH ASSESSMENT
0 – 5	Reactive phase — financial decisions are event-driven rather than strategic. Priority: establish foundations before growth.
6 – 10	Structured but inefficient — some foundations exist but significant tax leakage, protection gaps, or misalignment remain.
11 – 15	Strategically aligned — strong foundations with room for optimisation in tax, super, or investment structure.
16 – 18	Strong financial health — deliberate, integrated structure. Focus shifts to maintenance, optimisation, and estate design.

Your score isn't a verdict — it's a starting point. Every gap in this checklist is an opportunity. The question is whether you address it by design or by default.

People Also Ask

What is a financial health check?

A financial health check assesses your cash flow, debt structure, tax efficiency, super strategy, risk protection, and long-term investment alignment to determine whether your current setup supports your financial goals. It evaluates structure — not just balances — and identifies gaps between where you are and where a well-positioned investor should be.

How often should you review your finances?

A comprehensive review should occur annually, or whenever a major life event occurs — buying property, starting a business, receiving an inheritance, getting married or separated, or approaching retirement. A structured annual process ensures no critical gap is allowed to compound unnoticed.

What is considered financially healthy?

Financial health typically includes positive and deliberate cash flow, strategically structured debt, appropriate insurance coverage, tax-efficient investment structures, maximised superannuation contributions, current estate planning documents, and a clear written long-term wealth strategy. It's the presence of structure and intentionality — not just a high income or savings balance.