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JBWere

The Wealth Blueprint: Building Wealth, Sustaining Legacy

Australia

Introduction

How ready is ready? This is the key question for Asia-Pacific's (APAC) high-net-worth individuals (HNWIs). On one hand, investment choices are buffeted by geopolitical turmoil, the threat of economic recession and the great known unknown of Artificial Intelligence (AI) as an overarching disrupter.

Furthermore, there are wealth planning issues to manage closer to home, with family wealth often threatened by a lack of communication and alignment of vision among family members. This can compromise investment strategy, harm family ties and jeopardise the transition of family wealth between generations if not handled properly.

It has therefore never been so important for HNWIs family to understand what drives them, the issues important to their family members, and which values will underpin investment and wealth planning choices going forward.

JBWere, Lombard Odier, along with Lombard Odier's other Strategic Alliances, took a temperature reading of over 390 APAC HNWIs in Australia, China, Hong Kong, Japan, Malaysia, Singapore, Taiwan, Thailand and the Philippines.

On the investment front, APAC HNWIs remain confident despite the uncertainty, with respondents indicating clear investment goals and a willingness to adapt to change. However, there is an alarming lack of preparedness, which is intensified when it comes to HNWIs navigating asset allocation.

On the wealth planning front, the findings emphasise that HNWIs are not as prepared as they should be. This is reinforced when discussing the readiness (or otherwise) of the next generation, highlighting a general insecurity that threatens to derail succession and wealth transfer.

The polling was conducted ahead of the geopolitical escalations in the Middle East. While we do not anticipate that the events would have greatly impacted the results, we believe they exemplify heightened uncertainty and volatility, which reinforces the survey's timeliness and importance.

This report takes a deeper dive into the insights from Australia, and makes references and comparisons with results from the larger APAC reports.

Highlights from our APAC findings

Investments

High concern, low preparedness

Investors are deeply concerned about the markets, but many are not prepared nor structured their investments in a coherent strategy.

Confidence despite a knowledge gap

Investors readily identify gaps in their ability to manage their investments, yet many do not seek professional advice. Nonetheless, they have a generally high degree of confidence in their investments.

Younger generations actively take on more risk, but adopt a less structured investment approach

Although Gen Z and Millennials demonstrate stronger interest in private companies, digital assets, and business expansion, they consistently lack structures, monitoring, and strategic alignment needed to manage the risks they embrace.

High technology concern but low cybersecurity focus

Although adoption of digital assets and AI are seen as major forces shaping future wealth management, cybersecurity ranks among the lowest perceived risks, creating a gap between enthusiasm and protection.

Wealth planning

The intention–implementation gap

Families place utmost importance on preserving wealth, but this clarity of intent is not matched by action, with many lacking formal governance structures or succession frameworks.

Desire for wealth preservation versus low Next Gen confidence and preparation

Families overwhelmingly want to preserve wealth across generations, but younger generations feel least prepared. Older generations show low confidence in Next Gen readiness but fail to equip them.

Embracing modernity but resisting change

Families increasingly acknowledge the need to modernise their wealth planning approach, but resistance to change from senior family members continues to slow progress.

The communication paradox

Many families cite communication as both a priority and a problem, flagging a lack of communication as a governance challenge, and yet reflecting that they avoid the conversations necessary to solve them.

Investments

It is an unstable world, geopolitically and financially, and HNWIs in Australia reflect the uncertainty this creates, with respondents placing a major equity market correction (54.7%) and economic recession (50.0%) as their most significant worries in the next three years. Meanwhile, higher inflation (42.2%) and a crisis in sovereign debt (34.4%) also feature highly. Investors are the least concerned about a trade war (23.4%) across the APAC markets in the region, suggesting a degree of confidence in Australia's insulation from external disputes, and its significant energy resources (see chart 1).

But how do these broad concerns relate to investors' approach to investment management? Significantly, 76.6% of Australia HNWIs want to preserve or grow family wealth as a primary goal in the next three years. Meanwhile, 37.5% want to diversify their investments and 37.5% want to increase liquidity. This emphasises the stakes for Australia investors in terms of navigating the uncertain investment world while handling sensitive family issues.

When asked to reflect on the biggest challenges they face when managing their investments to reach their financial planning goals, Australia respondents highlighted the size of the task at hand by flagging numerous issues as of equal importance (see chart 2).

The impact of taxes and regulations featured highly (37.5%), as did the costs and/or lack of transparency of financial products and services (28.1%). 'Other demands on finances' received the largest percentage (47.1%), which could cover such issues as supporting other family members. The number and diversity of issues highlight the importance of communication and engagement with wealth advice, to build trust and foster knowledge.

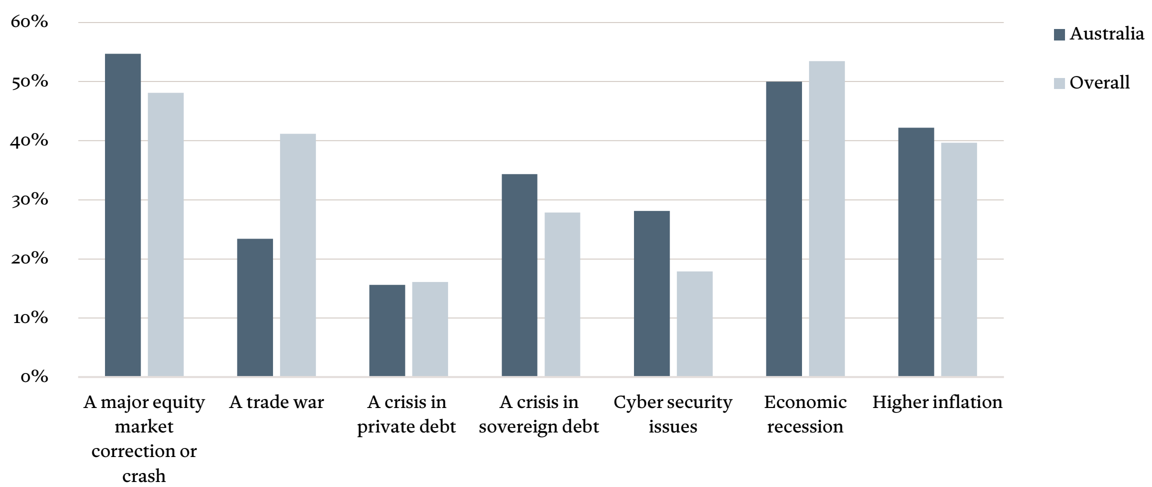
It is clear, therefore, that confidence is of paramount importance.

Investors' goals are striking

APAC's HNWIs remain confident about their goals, although this varies between market and generation. One of the most striking correlations is between confidence and structure, with HNWIs typically exhibiting more direction and confidence if they have a wealth governance structure in place and/or are receiving advice.

1. What do you see as the biggest risks to the stability and value of your investment portfolio over the next three years?

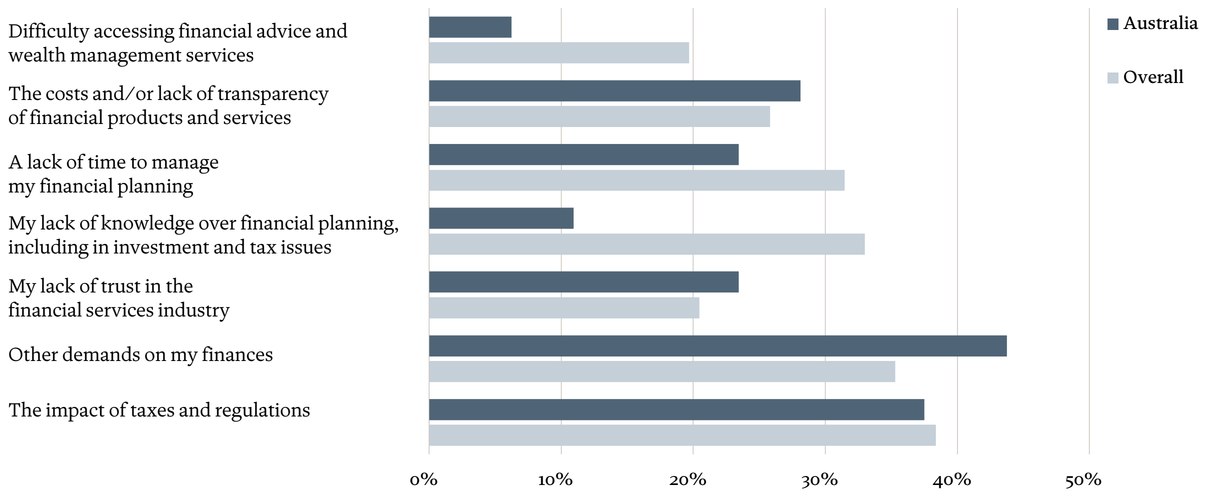
(in % of respondents)



Source: Lombard Odier

2. What do you see as the biggest challenges to your ability to manage your investments in a way that will maximise your chances of reaching your financial planning goals?

(in % of respondents)



Source: Lombard Odier

Investments

This is significant because only 50.0% of Australia investors receive investment and wealth management advice.

Across the APAC markets, Australia respondents are the most confident that their portfolio and assets are structured to meet their top wealth goals (96.9%). Nonetheless, only 25.0% are guided by a comprehensive asset allocation strategy (see chart 3).

This suggests that while portfolios may be diversified, they are not always strategically constructed. While this can bring success on an individual basis, much of the value of a portfolio is in its balance, informed by research, disciplined management and connection to broader, long-term family ambitions.

Asset allocation – when to stick and when to twist

Among Australia respondents, 50.0% want to increase diversity and exposure to a wider range of assets in the next 12 months, 44.7% want higher returns and 44.7% want to increase liquidity.

As chart 4 shows, 70.3% of Australia HNW respondents are already invested in **cash and highly liquid assets**, and 65.6% are invested in **listed equities**. Interestingly, despite increasing diversity and liquidity being key goals, Australia respondents are more likely than their regional counterparts to make no changes to their allocations to their cash (53.3% vs 35.1% APAC average) or listed equities holdings (61.9% vs 34.8% APAC average). This suggests a potential misalignment between their intentions and actions, and the value that advice can bring to structure assets accordingly to goals and values.

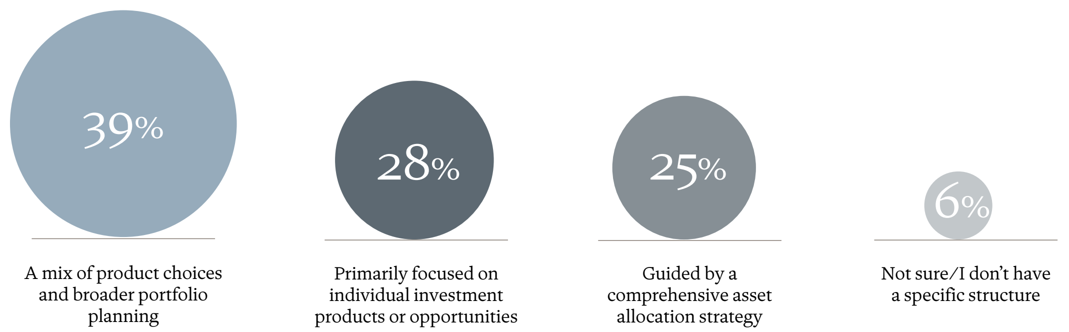
Private assets are becoming increasingly desirable in APAC, with investors drawn to key structural trends in the region, such as urbanisation, renewable energy transition, and digital infrastructure needs. As such, 45.3% of respondents in Australia currently invest in private companies, the second highest in the region.

Australia HNWIs appear most enthusiastic among the APAC markets when it comes to **digital assets**, highlighting an opportunity for education, as it is a considerably fast-changing and higher risk investment area.

For example, 26.6% of Australia investors say they are invested in cryptocurrency and other digital assets (20.2% APAC average), and of those currently invested, 64.7% plan to increase their holdings in the next 12 months (40.5% APAC average). However, only 28.1% of Australia respondents cite cyber security issues as a key threat to the stability and value of their portfolio in the next three years.

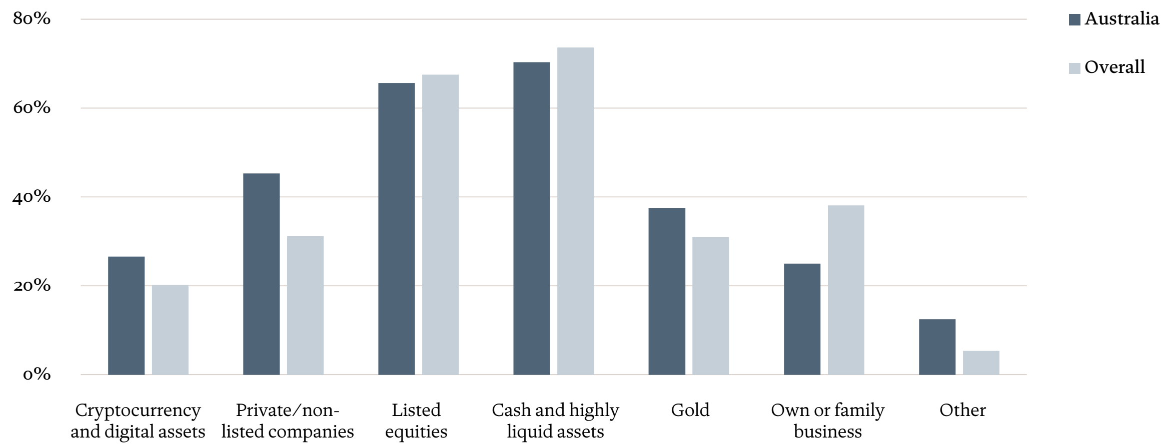
This highlights a concern and opportunity for engagement, as this suggests a technology embracing population that remains under-protected in a digital-first wealth environment.

3. Which of the following best describes how your investment portfolio is structured?
(in % of respondents)



Source: Lombard Odier

4. Which of the following assets do you currently invest in?
(in % of respondents)



Source: Lombard Odier

Family wealth

When it comes to family wealth planning and succession issues, Australia HNWIs place utmost importance on wealth preservation, with 68.8% of investors citing this as the main goal when thinking about passing on or receiving family wealth, with maintaining family unity and shared values (65.6%) in second place (see chart 5).

Nonetheless, a gap exists for Australia HNWIs between intention and action.

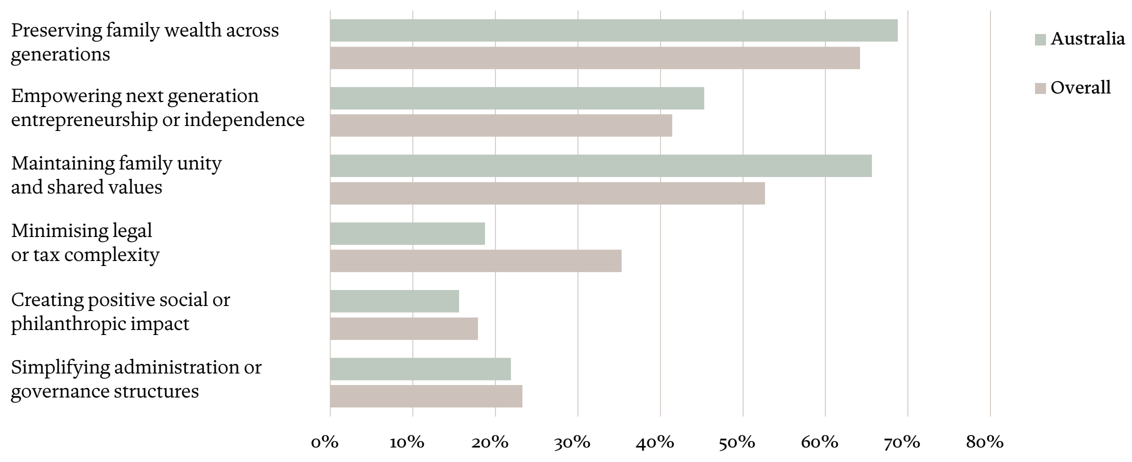
The alignment gap between intention and action

We asked Australia HNWIs to what degree does their family share a clear, common purpose for its wealth, and only 26.6% of respondents say they are fully aligned (see chart 6, page 9). While 48.4% are mostly aligned, 14.1% have not discussed the issues. What history has taught us is that where there is a lack of understanding and alignment, there exists the very real possibility of mismanagement of wealth and succession.

Somewhat reassuringly, 56.3% of respondents in Australia have a full succession plan in place, which is by far the highest in the region. However, 28.1% do not have any kind of succession plan, suggesting a large scope for engagement, discussion and action to ensure a smooth transfer of wealth between generations.

It suggests that investors understand the issues and potential problems, but many have not yet taken steps to address them through structured governance and expert advice.

5. What are your main goals when thinking about passing on or receiving family wealth?
(in % of respondents)



Source: Lombard Odier

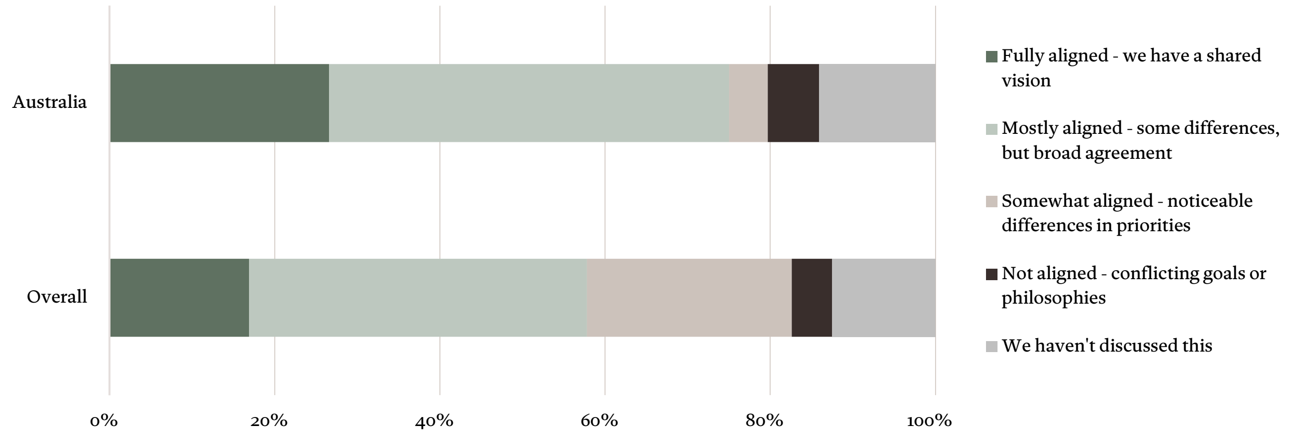
This is critical because there are a myriad of challenges facing investors as they approach succession and transition discussions.

For Australia investors, there is not one significant challenge that stands out, however, the biggest challenges are connected and highlight the need for engagement with tailored advice from experienced specialists.

Interest or readiness from the next generation is the biggest concern (36.7%) in implementing a smooth succession plan, closely followed by **agreement within the family on a succession plan** (35.0%). Meanwhile, **regulatory or tax uncertainty** is also a primary concern (28.3%). Interestingly, while 30.5% of Australian respondents have heirs living abroad, only 23.7% say they fully understand the laws pertaining to **inheritance tax**.

In each case, these require a combination of technical insight and relational guidance to navigate effectively.

6. To what extent do you feel your family shares a clear, common purpose for its wealth?
(in % of respondents)



Source: Lombard Odier

Family wealth

Family governance: a wide variety of challenges

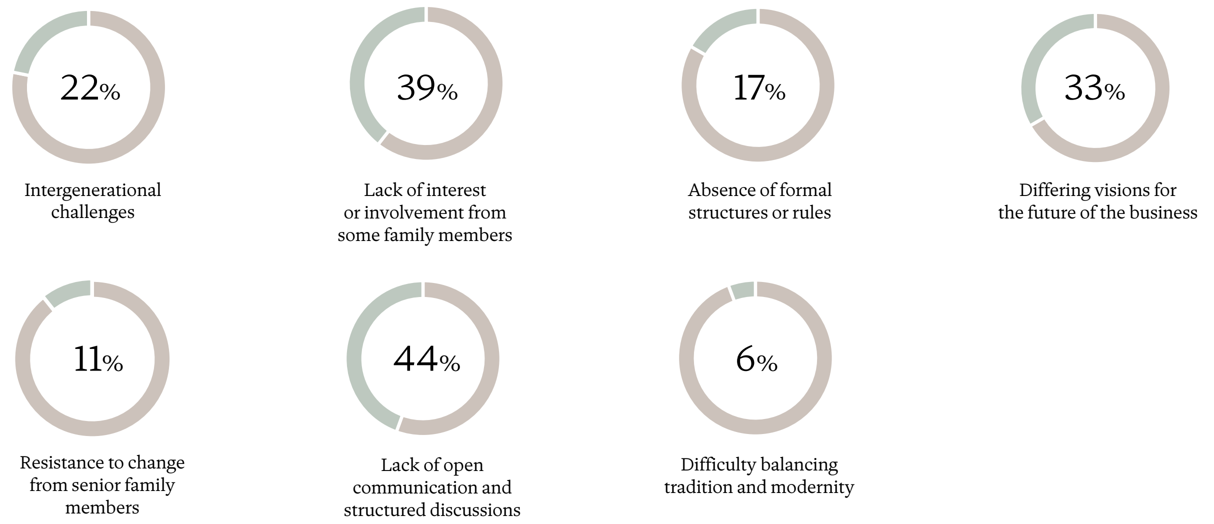
Communication is at the heart of family governance challenges facing Australia's HNWIs.

As seen in chart 7, a significant 44.4% of respondents cited **a lack of communication and structured discussions** as the main challenge to family governance, the highest in the region. Meanwhile, a **lack of interest or involvement from some family members** is the next biggest issue (38.9%), and **differing visions of the future** is also a primary concern (33.3%). All this highlights the importance of communication and sensitivity when dealing with family governance.

It is interesting, therefore, that only 23.4% of Australia HNWIs say they have received advice on family governance and conflict resolution, while 40.6% have received succession planning and inheritance structuring.

This deficit between the identified concerns and the appropriate expert advice creates huge potential for miscommunication, misalignment, avoidable complications, relational tension and wealth destruction.

7. What are the biggest challenges your family faces in managing family governance?
(in % of respondents)



Source: Lombard Odier

Next Gens and the future of wealth management

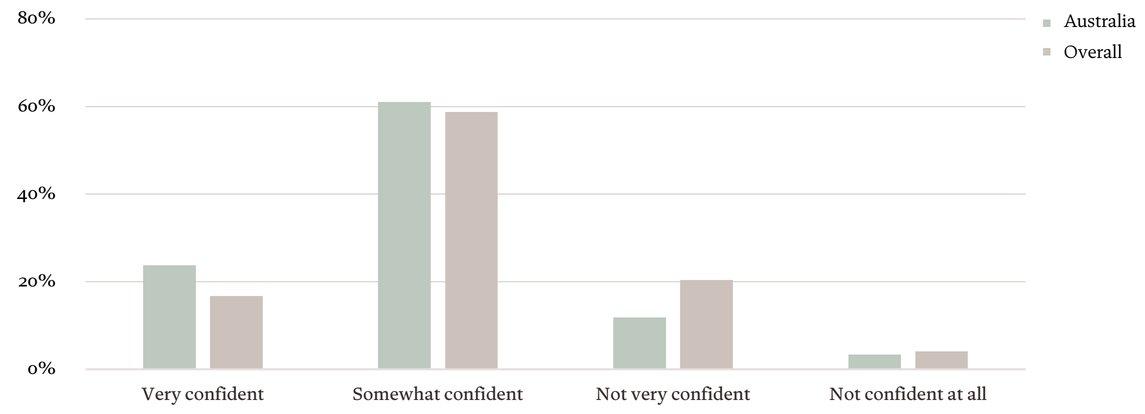
As depicted in chart 8, while 23.7% of Australia respondents are very confident in the ability of Next Gens to be able to manage and grow family wealth, 61.0% are only somewhat confident, suggesting a necessary investment of time and effort into capabilities and alignment of values and ambitions, to build the confidence across all generations.

Considering all this, it is somewhat counter-intuitive that respondents believe overwhelmingly their family business is well-positioned for a smooth transition to the next generation, with all Australia respondents (100.0%) reporting some degree of confidence. Furthermore, among APAC markets, Australia HNWIs are one of the least likely to invest in their family business, with only 25.0% of them indicating they do so, compared to the APAC average (38.1%). This again highlights a massive degree of complacency and perhaps blind faith that things will turn out fine, promising a rude awakening without action.

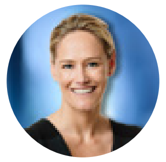
Lastly, APAC HNWIs believe digital innovation will have the strongest impact on the wealth management industry in the next five years, with 50.0% of Australia respondents aligning with this sentiment.

Alongside digital assets gaining prominence and the acknowledgement that cyber security issues are a key threat, this suggests an opportunity for wealth advisers to guide Australia HNWIs through a digital-first wealth environment.

8. How confident are you that the next generation will be ready to manage wealth responsibly?
(in % of respondents)



Source: Lombard Odier



"Ultimately, the Australian opportunity lies in closing two critical gaps: the gap between confidence and structure, and between intention and alignment. Families that address these deliberately –through disciplined asset allocation, tailored governance frameworks, and early, structured engagement across generations –will not only navigate uncertainty more effectively but position themselves to take advantage of opportunities that arise.

Alexandra Campbell, Chief Investment Officer, JBWere and NAB Private Wealth

"The findings of this survey confirm our experience – while many families have a clear ambition to preserve and grow wealth across generations, they have not put in place the foundations that we know can make this ambition a reality. There is a persistent gap in family alignment, governance structures and generational readiness that ultimately underpins good decision-making and outcomes over the long term.

Shamal Dass, Head of Family Advisory and Philanthropic Services, JBWere

Conclusion

Australia HNWIs, like their regional counterparts, are still making bold choices despite the uncertain times.

Confidence remains key and the clock is ticking. While investors have signalled a desire for diversity and liquidity, the results in this report also highlight that investors themselves are idiosyncratic, showcasing the complexity of the investment world.

Although investors have flagged a range of concerns when it comes to portfolio management, family wealth and succession issues, a significant proportion do not monitor their wealth or have a comprehensive asset allocation strategy.

Furthermore, many do not employ a structure for managing family wealth and have not discussed succession issues with an advisor, or even among themselves.

This threatens to be a huge problem. Family dynamics can be complex and managing family wealth can be even more so, making communication vital.

This is where professional advice can prove invaluable, with the findings in this report revealing a clear correlation between alignment and governance.

The stakes are high both financially and emotionally. The importance of education, knowledge and structure has perhaps never been more critical than it is today.

Acknowledgments and contact

The report leverages the networks and expertise of Lombard Odier's Ecosystem of Strategic Alliances and we would like to thank them for their valuable contribution:

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- Taipei Fubon Bank
- UnionBank Private

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