Communication is critical in family wealth governance

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Much of the discussion about intergenerational wealth focuses on the transfer of assets. Who will inherit? When will control pass? How should portfolios, property, businesses or philanthropic structures be divided?

These are important questions, but they are rarely the ones that must be addressed upfront. For many family offices, the most immediate and consequential issue is not the transfer of capital but the transfer of understanding.

Think of it like this. If you could not get up tomorrow to do what you did yesterday, or if you suddenly could not make the decisions you usually do on a daily basis, does your family and trusted advisers understand what the expectations of them are?

This is often where we start when building frameworks for family offices to manage and preserve their wealth. Knowing each person's roles, responsibilities and expectations makes it simpler to map the control of wealth across multiple structures and for advisers to determine and coordinate where conversations and communication need to happen to build solutions and deliver necessary outcomes.

Communication makes governance tick

For many families, governance is still thought of in formal terms: constitutions, advisory boards, investment committees, trustee structures, family councils and succession plans. While these structures are valuable and often necessary, they alone do not guarantee good governance outcomes. A family may have a sophisticated trust structure or a detailed estate plan but still struggle if family members do not properly document and share their expectations, rights, responsibilities and the purpose of their wealth.

This is particularly relevant for enterprise families where underlying assets may not transfer neatly through a Will. JBWere Family Advisory's *The great wealth transfer myth* report notes that a significant amount of private wealth in Australia sits in family trusts, with frequently cited Australian Taxation Office estimates suggesting that Australian family trusts control more than $3 trillion in assets.[1] In these situations, the practical question is often less about 'Who inherits?' and more about 'Who has authority to make decisions?' while also addressing what governance sits around that authority.

Communication is one of the crucial elements that make those governance arrangements workable. It helps families clarify who participates in which decisions, what information is shared, when consultation is expected and how disagreements are managed. Without that clarity, even well-designed structures can become a source of confusion.

For advisers working with high-net-worth individuals and families, this is an increasingly important shift. Conversations need to look beyond estate planning and investment management and move towards governance, family participation, communication frameworks and the development of future stewards.

Risk management needs a communication lens

It is why communication should also be viewed as a risk management tool. In family wealth, risk is not only market risk, liquidity risk or tax risk. It is also relational risk, behavioural risk and decision risk.

Families can face tension when one generation is ready to allocate capital and another is more cautious. They can face friction when some members are active in a business and others are passive beneficiaries. They can face uncertainty when family members live overseas, have varying levels of financial literacy or hold different views about the purpose of wealth.

These risks are often amplified during transition points: a liquidity event, the death or incapacity of a senior family member, a business sale, a new investment mandate, the establishment of a family office or the introduction of next-generation family members into decision-making. In these moments, assumptions can be dangerous. What one person sees as prudent caution, another may read as resistance.

Formal communication helps reduce that ambiguity. It creates forums for the family to agree on what needs to be communicated, to whom, how often and for what purpose. It also helps separate strategic issues from ones that are emotional, financial or social.

This is where an integrated wealth solution plays a valuable role by providing more than technical guidance. Increasingly, families are expanding their risk and financial management toolkit by appointing family advisory capabilities in addition to business bankers and investment advisers. They call on this expertise to help them frame decisions, facilitate conversations, identify governance gaps and support the development of shared understanding.

Having all of these capabilities under one roof, sharing information and bringing the best support to the table for each family is critical in managing the entire wealth management journey. This allows each family member to get the support they need, whether it be for young people starting out, or older family members who are looking to transition into retirement. All of these different wealth journeys play out under the central governance and communication framework of the family, to ensure everyone is aligned to the overarching objectives.

Communication does not begin in the boardroom

The starting point in identifying better communication and cooperative practices in family offices is rarely about addressing a vision or legacy statement from the top down, although articulating values and purpose can be powerful. A more practical first step may be to map the family's decision architecture, and invites the following questions:

- Who currently makes decisions?
- Who has legal control?
- Who has practical influence?
- Who needs to be informed?
- Which decisions require consensus, and which can be delegated?
- What happens if family members disagree?
- What happens if the founder or current controller is no longer able to lead?

Once those questions are made explicit, families can begin to formalise communication in ways that suit their circumstances. For some, this may mean regular family meetings with structured agendas. For others, it may involve a family council, next-generation education programs, investment committee participation, philanthropic governance, or an agreed communication protocol for major financial decisions.

NAB Private Wealth's *Beyond the business* report reinforces why this matters for business-owning families. Alongside CoreData, NAB's report found that about one-third of business owners have a documented plan for transferring their wealth, about one-third have a trusted adviser to help guide decisions, and only about 20% feel confident about their savings capability.[2] The same research notes that succession and retirement decisions are often deeply intertwined with emotion, not just financial considerations.

This has clear implications for high-net-worth families and we often witness it at the coalface with clients. For the entrepreneurial-led private or family businesses, including those which have lasted several generations, too often we see that processes are rarely documented. Or, if they are documented, it is unlikely they have been reviewed frequently and, over time, created a breakdown in communication and a misalignment on the shared purpose.

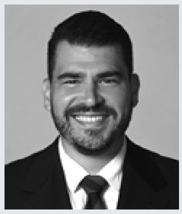
Poor communication can delay decision-making, weaken trust, increase conflict and reduce the family's ability to act decisively in moments of opportunity or stress. Strong communication, by contrast, can improve the quality of decisions. It allows family members to bring different perspectives to the table, test assumptions, understand trade-offs and make decisions that are more likely to endure.

When we do see it done well, it is often the generation that has exited the family enterprise because they have more time to properly manage the accumulated wealth. At the same time, it reinforces why it is never too early to access advice, to establish strong lines of communication and execute best-practice governance.

Setting the standard for gen-next

Good communication also supports next-generation capability. Families often worry about entitlement or disengagement, but the greater risk may be under-preparation.

If younger family members are not exposed to the purpose, responsibilities and decision-making processes attached to wealth, they may be asked to step into stewardship roles without the confidence or context required.



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JBWere's *The great wealth transfer myth* report argues that families that sustain wealth across generations tend to deliberately build stewardship culture, governance capability and shared purpose before transition points occur.[3]

For advisers, the opportunity is to help families make the implicit explicit. That means encouraging earlier conversations, documenting agreed principles, identifying where communication is informal or inconsistent and helping clients recognise that governance is not only a legal or structural exercise.

Sustaining family wealth is not only a matter of structures, trusts or investment strategy. These tools matter, but they are only as strong as the conversations that sit behind them.

Families that communicate early, clearly and often are better placed to turn wealth into stewardship, succession into continuity, and inheritance into a shared sense of responsibility.

For families preparing for generational change, the most important legacy may not be the assets themselves, but the clarity, values and confidence with which the next generation is invited to help carry them forward. **FS**

Notes

1. Roach P, *The great wealth transfer myth: From inheritance to stewardship: how enterprise families sustain wealth*, JBWere Family Advisory, July 2026, p.2.
2. *Beyond the business*, NAB Private Wealth, May 2025, pp.10-13.
3. Roach P, *The great wealth transfer myth: From inheritance to stewardship: how enterprise families sustain wealth*, JBWere Family Advisory, July 2026, p.5.