Taxation | Individual Tax Planning

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Keep up to date with work-related expenses.

Look at the tax office guides. Efficient record-keeping will help avoid missing out on deductions that could be claimed. If your claims are less than $300, deductions won't have to be substantiated. If a room in your home is used for work purposes, a flat rate per hour provided by the ATO can be used to calculate the deductible costs.

Take advantage of the super co-contribution scheme.

The government contributes (up to $1,000 per year), if your total income for the financial year is less than $31,920. The super co-contribution progressively reduces for incomes more than this amount and phases out at $61,920. The self-employed may be eligible for super co-contributions.

Time the sale of assets carefully.

A little bit of planning may ensure that capital gains tax on assets are minimised, which can have a huge impact on your next tax bill. When looking to sell your business, the expanded capital gains tax concessions mean that there is greater scope to claim the concessions where eligible, but forward planning may significantly broaden the tax concessions available.

Start a transition to retirement strategy.

This involves drawing an income stream from super and then salary sacrificing the same amount of your normal pay-back into super. Rather than pay your marginal tax rate on your salary, you pay just 15 per cent tax on the contributions. For those over 55, the money you withdraw from the income stream won't be taxed.

Salary sacrifice your super savings.

Salary sacrificing means using some of your pre-tax earnings to pay for benefits such as extra super contributions. Some pre-tax earnings are used to pay for benefits like a laptop computer or car. Salary sacrificing could mean less tax is paid and benefits worth more than the after-tax cash received.

Take out life insurance through your super fund.

Make this decision based on which fund is likely to give the best long-term return after deducting fees and charges. Another important consideration is quality and cost of the insurance that various funds provide. Taking life insurance cover through your super fund is usually very cost-effective, but it is important to ensure the cover suits your needs.

Consider taking out income protection.

The benefit of tax deductibility in most cases is a good incentive for everyone to consider taking out income protection insurance. Individuals should cover their income should they be unable to work due to sickness or injury.

Consider your investments. Gearing, franking and imputation credits can be effective tax minimisation strategies.

Chartered Accountant

This Fact Sheet contains general advice that has been prepared without considering your objectives, financial situation or needs. You should consider the appropriateness of any advice before acting on it.

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