



## INFORMATION REQUIRED TO COMPLETE YOUR 2016-2017 TAX RETURN

Before you sit down to prepare your paperwork for your 2017 Individual Tax Return, you'll need to gather all the right information. Here are some of the documents you'll need to complete your tax return.

### RECORDS YOU NEED TO KEEP

- **Payment summaries** - Outlines the income you have received from your employer, super fund or government payment like Centrelink and the Department of Veterans Affairs.
- **Bank statements** - Details any interest you have earned during the period and fees you have paid.
- **Shares, unit trusts or managed funds statements** - Information on dividends or distributions you've received. Dividends that you've elected to reinvest must be declared as income.
- **Buy and sell investment statements** - Needed to calculate capital gains and losses. If you bought or sold any shares you can access the details on your online broking account or you can get them from your investment adviser or stockbroker.
- **Records from your rental property** - If you use a property manager you will probably get an annual tax statement that details income and expenses, otherwise you will need to gather details of income received and expenses paid, including any capital gains or capital losses from the sale of property.

- **Foreign income** - Details of foreign pensions or other foreign income.

- **Private health insurance policy statement** - Information needed to complete the private health insurance section of your tax return.

### TAX DEDUCTIONS YOU CAN CLAIM

You're entitled to claim deductions for some expenses, most of which are directly related to earning your income (called 'work-related expenses'). A deduction reduces your taxable income, and means you pay less tax.

- To claim a deduction for work-related expenses:
- You must have spent the money yourself and not been reimbursed.
- It must be directly related to earning your income.
- You must have a record to prove you paid for it.

- **Vehicle and travel expenses** - This does not normally include the cost of travel between work and home but if you use your car for work or work in different locations then you may be able to claim a deduction.

- **Clothing, laundry and dry-cleaning expenses** To legitimately claim the cost of a uniform, it needs to be unique and distinctive, for example it contains your employer's logo, or is specific to your occupation, like chef's pants or coloured safety vests.

- **Gifts and donations** - to organisations that are endorsed by the ATO as deductible gift recipients.
- **Home office expenses** - Costs could include your computer, phone or other electronic device and running costs such as an internet service. You can only claim the proportion of expenses that relate to work, not private use.
- **Interest, dividend and other investment income deductions** - Examples include interest, account fees, investing magazines and subscriptions, internet access, depreciation on your computer.
- **Self-education expenses** - Providing the study relates to your current job, you can claim expenses like course fees, student union fees, textbooks, stationery, internet, home office expenses, professional journals and some travel.
- **Tools, equipment and other equipment** - If you buy tools or equipment to help earn your income, you can claim a deduction for some or all of the cost. Examples include protective gear, including sunscreen, sunglasses and hats if you work outside, office equipment, safety equipment and technical instruments.
- **Other deductions** - other items you can claim include union fees, the cost of managing tax affairs, income protection insurance (not if it's through super), overtime meals, personal super contributions and other expenses incurred in the course of earning an income.

### WHAT TAX DEDUCTIONS ARE NOT ALLOWED?

The ATO is focused on helping taxpayers get their deductions right, but they're also on the lookout for red flags that identify people who are doing the wrong thing.

Here's a list of deductions you usually can't claim on your tax return.

- **Travel between home and work** - which is generally considered private travel.
- **Car expenses** - unless you are transporting bulky tools or equipment, that you need to do your job, that your employer requires you to transport, and there is no secure area to store the equipment at work.
- **Car expenses** - that have been salary sacrificed.
- **Meal expenses** - unless you were required to work away from home overnight.

- **Private travel** - including any personal travel portion of work-related travel.
- **Everyday clothes** - you bought to wear to work (for example, a suit or black pants), even if your employer requires you to wear them.
- **The cost of laundering eligible work clothes** unless you can show how you calculated the cost.
- **Higher Education Loan Program** - contributions charged through the HELP scheme.
- **Self-education expenses** - where there is no direct connection to your current employment.
- **Phone or internet expenses** - that relate to private use.
- **Tools and equipment that cost more than \$300** - however, you can depreciate the cost over a number of years.

Please give us a call on 5366 1000 if you are unsure on any items and we will be more than happy to assist you. We are taking appointments now and are open late on a Monday & Tuesday evening. We aim to help you to minimise your tax, save you time and make sure that maximum deductions are included in your tax return. At this stage the ATO is taking roughly two weeks from the lodgment date of your return to receiving your refund into your nominated bank account.



## FREE TAX RETURNS FOR APPRENTICES

Call **5366 1000** to make an appointment today

### THE HECS-HELP BENEFIT WILL BE REMOVED FROM 1 JUNE 2017

The last financial year to claim the HECS-HELP benefit will be 2017. However, a person still has two years to lodge their application (late applications will not be accepted).

Income year for which a person is claiming the HECS-HELP Benefit	Applications to be lodged with the ATO
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2014/15 income year	by 30 June 2017
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2015/16 income year	by 30 June 2018
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2016/17 income year	by 30 June 2019
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The HECS-HELP Benefit gives an incentive to graduates of particular courses as a reduction to their compulsory HECS repayments. You may be eligible for the HECS-HELP Benefit if you graduated in one of the following fields and meet the listed criteria.

#### Maths, Statistics or Science

- Graduated from an undergraduate 'natural and physical science' field of education course (mathematics, science or statistics) after 30 June 2008.
- Employed in a related occupation, including as a secondary school teacher of these subjects or as a primary school teacher.

#### Education, Nursing or Midwifery

- Graduated from an education, nursing or midwifery course required for initial entry to a teaching or nursing profession after 30 June 2009.
- Employed as a teacher or nurse/midwife.

#### Early Childhood Education

- Graduated from an early childhood education teaching course.
- Employed as an early childhood teacher.
- Employed by a provider of pre-school education or childcare services in a regional or remote area, Indigenous community or area of high socio economic disadvantage.

If you have any questions regarding the HECS-HELP benefit – do not hesitate to give our office a call.

### BUILDING & CONSTRUCTION INDUSTRY – ANNUAL TAXABLE PAYMENTS REPORT

Also, if it's applicable to you, please make sure you complete the building industry contractor forms for any contractors you've had over the year. A contractor can be a sole trader (individual), company, partnership, or trust.

The ATO request that the building and construction industry have to report the total amount they've paid for building and construction services on the Taxable payments annual report. This information allows the ATO to identify those contractors who have:

- not included all their income on their tax return
- not lodged tax returns or activity statements
- not registered for GST where they are required to do so
- quoted the wrong ABN on their invoices.

### HR ASSISTANCE

If you need any HR assistance re employee issues, position descriptions, people management, etc we use Bill Whiteside of Sustainable HR Consulting for our HR work. He is practical in his solutions to try to minimise your risk and maximise productivity. Bill is a reasonable fee of \$130/hr and can be contacted on 0407 821 986. Or see his website [sustainablehrconsulting.com.au](http://sustainablehrconsulting.com.au)

### REMINDERS FOR YOUR DIARY

#### AUGUST

- 14** PAYG Payment Summary 2016-2017 ATO lodgement due
- 21** Monthly Activity Statement for July 2017
- 25** Quarterly BAS for quarter 4 2016-2017 (If lodged by your accountant)
- 28** Lodge and pay Superannuation
- 28** Construction & Building Industry – Taxable Payments Annual Report

#### SEPTEMBER

- 21** Monthly Activity Statement for August 2017
- 30** Lodge PAYG withholding payment summary annual report (If prepared by your accountant)

## Fact Sheet

# EMPLOYEES VS. CONTRACTORS

One of the most common questions asked is whether the person employed is actually an employee or a contractor. If a business treats a worker as a contractor instead of an employee this will result in fines and penalties being assessed. The table below outlines the differences between an employee and a contractor which will assist in ensuring the correct decision is made.

EMPLOYEE	CONTRACTOR
<p><b>Delegation</b></p> <ul style="list-style-type: none"> <li>• Does not have the ability to sub-contract or delegate</li> </ul>	<p><b>Delegation</b></p> <ul style="list-style-type: none"> <li>• Has the ability to sub-contract or delegate.</li> </ul>
<p><b>Basis of Payment</b></p> <ul style="list-style-type: none"> <li>• Worker is paid on time worked</li> <li>• Price per Item or Activity</li> <li>• Commission</li> </ul>	<p><b>Basis of Payment</b></p> <ul style="list-style-type: none"> <li>• Worker is paid on results achieved based on quote provided.</li> </ul>
<p><b>Equipment, tools and other assets</b></p> <ul style="list-style-type: none"> <li>• Business provides all or most of equipment, tools or other assets to complete work.</li> <li>• The worker provides all or most of the tools, equipment or other assets to complete work but is reimbursed for the costs of them or is provided an allowance.</li> </ul>	<p><b>Equipment, tools and other assets</b></p> <ul style="list-style-type: none"> <li>• Worker provides all or most of the equipment, tools or other assets required to complete work.</li> <li>• Worker is not reimbursed for costs of equipment, tools or other assets and is not provided an allowance.</li> </ul>
<p><b>Commercial Risks</b></p> <ul style="list-style-type: none"> <li>• The worker has no commercial risk.</li> <li>• The business is legally responsible for the work.</li> <li>• Business is responsible for costs of rectifying defects in the work</li> </ul>	<p><b>Commercial Risks</b></p> <ul style="list-style-type: none"> <li>• The worker bears all commercial risk.</li> <li>• The worker bears all legal responsibility.</li> <li>• The worker is responsible for costs of rectifying defects in the work.</li> </ul>
<p><b>Control</b></p> <ul style="list-style-type: none"> <li>• The business has the right to direct the worker on how to complete the work.</li> </ul>	<p><b>Control</b></p> <ul style="list-style-type: none"> <li>• The worker has the freedom to complete the work in any way subject to specific terms in any contract or agreement.</li> </ul>
<p><b>Independence</b></p> <ul style="list-style-type: none"> <li>• The worker is not independent to the business.</li> <li>• The worker is considered part of the business</li> </ul>	<p><b>Independence</b></p> <ul style="list-style-type: none"> <li>• The worker is independent from your business as they operate their own business.</li> <li>• The worker performs services as specified in any contract or agreement.</li> <li>• The worker is free to accept or refuse any additional work.</li> </ul>

For further help the ATO have a decision tool that you can use to determine the answer.

<https://www.ato.gov.au/business/employee-or-contractor/how-to-work-it-out--employee-or-contractor/>

**Our Accountants are also on hand to discuss this area further with you. Please give us a call on 5366 1000**