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Lives*



Tax Planning Guide

Introduction



Welcome to Strategem Financial Services'

Tax Planning

This guide is designed to navigate you through the complexities of tax planning, ensuring you are well-prepared not only for the upcoming tax season but for the long-term financial landscape.

At Strategem, we understand that effective tax planning is more than just a compliance necessity;

it is a critical component of strategic financial management. The aim of this guide is to provide you with some insights and some illustration as to how we look to optimize your tax positions, thus enhancing your financial outcomes. By embracing proactive tax planning, you can safeguard against unexpected tax liabilities, maximise your cash flow, and ultimately achieve greater financial security.

We believe that tax planning is essential because it allows for careful informed decisions that align with both your immediate financial needs and your long-term goals. Through this guide, you will discover various strategies that can be utilised by you, which we can help you to implement to aid in managing your income effectively; reducing tax liabilities, and taking full advantage of legislative benefits. From understanding the importance of timing income and expenses to making additional superannuation contributions, each section is designed to equip you with knowledge and practical advice that you can apply directly to your financial affairs.

Let this guide serve as your roadmap to navigating the fiscal year with confidence and foresight. With Strategem's expertise by your side, engage in tax planning that not only meets compliance standards but also drives your business and personal wealth forward.

-STRATEGEM TEAM

| Understanding Tax Planning

What is Tax Planning?

Tax planning is an essential service we provide at Strategem Financial Services, where we anticipate and arrange your financial affairs to ensure tax efficiency. Such financial analysis includes optimising deductions, utilising concessions, and adopting strategies that align with the ever-evolving tax legislation.

Our approach is bespoke for business owners and high-net-worth individuals; whether it's structuring business acquisitions or managing rapid growth, we apply our expertise to your unique circumstances.

Why is Tax Planning Important?

Understanding the importance of tax planning is crucial for our clients who are business owners and high-net-worth individuals. It's the difference between a reactive approach to taxation and a strategic one.

Tax planning is not only about compliance with the law but also about maximising opportunities for wealth retention and growth. It allows you to review your financial year in advance, offering the chance to make informed decisions that could significantly influence your taxable income and

Our tax planning is not just an end-of-year activity—it's a proactive, year-round process designed to integrate seamlessly with your overall financial strategy, with the aim of enhancing your assets while reducing tax liabilities.

We believe that tax planning should be as individual as our clients. It provides certainty and the opportunity to implement strategies that can affect your current tax position. Whether it's timing loan repayments, optimising superannuation contributions, or revisiting your business structure, our tax planning is tailored to ensure the most beneficial outcomes for your financial journey.

provide opportunities for reinvestment and longer term wealth management.

Our emphasis on early engagement in tax planning conversations stems from the simple fact that post-July 1st, many impactful strategies will no longer be available for the current tax year. Yearly reviews are imperative to the success of a business, particularly when there has been a considerable shift in business performance or structure. Tax planning is an integral part of the holistic approach we adopt at Strategem, ensuring that we not only review the past year but also set a solid foundation for the future of your business and personal wealth.

Understanding Tax Planning

How Tax Planning Can Help Businesses Prepare for Tax Time

As tax time approaches, the value of effective tax planning becomes increasingly apparent. At Strategem Financial Services, we facilitate a smoother transition into the new fiscal year, alleviating the stress and rush that often accompany tax season. Our proactive approach is designed to prepare your business meticulously, providing a clear roadmap for the end-of-year obligations and beyond.

Tax planning is crucial in preparing businesses for tax time as it allows for a comprehensive review of the financial activities throughout the year. This process requires a careful analysis of your year-to-date figures, compared with projected data for the remaining months, allowing us an estimation of tax liabilities. Such an approach allows for adjusting business strategies for optimal tax outcomes and ascertaining cash flow requirements for upcoming tax payments.

Our service transcends mere number-crunching. At Strategem, we leverage advanced accounting software, coupled with our astute financial acumen, to produce detailed



spreadsheets that track and predict your financial standing. This collaborative effort, involving both accountants and partners, equips your business with tailored strategies that cater to your specific needs. It's not just about preparing for the upcoming tax submission; it's about laying a foundation for financial resilience and continued prosperity in the years to come.

Businesses can position themselves advantageously by engaging in tax planning with Strategem, taking informed actions such as deferring income, bringing forward expenses, or considering other tax-effective investments. These strategic decisions, made in consultation with our experienced accountants, ensure that you meet compliance standards and leverage every opportunity to enhance your business's financial health as you enter a new tax year.

Understanding Tax Planning

If someone has never done tax planning before, why might they need to start?

If someone has never engaged in tax planning before, it could be a valuable opportunity for them to gain a better understanding of their current financial situation and plan for the future. Tax planning can help individuals and businesses to identify potential tax savings opportunities, optimise tax deductions and credits, and ensure that they are compliant with all relevant tax laws and regulations.

Additionally, tax planning can help individuals and businesses to be better prepared for tax time, avoiding any last-minute surprises or potential penalties.

By taking the time to plan ahead, they can potentially reduce their tax liability and increase their overall financial well-being.



Strategem Client Examples

Strategem Client Examples of how Tax Planning made an impact to their business:

“Tax planning is a two way street. Like any relationship, you get out what you put in.

I’ve been working with a local business for many years. Over the time I’ve really enjoyed creating a solid relationship with the owners where we not only discuss their business needs, but also love to catch up on life outside of the business.

Over the past few years, this particular client experienced exponential growth within their business, resulting in them outgrowing their office space – what a great problem to have!

Working with them, we assessed their business structure and implemented some strategies to see them achieve

what they needed to, to keep up with their growth.

Their business structure allowed them to redistribute their profits into a tax-effective corporate structure. This enabled them to buy and build their new officespace in a new corporate entity, meaning not only was it tax effective, but they could reinvest in their own business growth and own their office.

It’s important to note that tax minimisation is not the only factor to look at within tax planning and business structures. It’s an overall approach that weighs up all of the pros and cons.”

– STRATEGEM ACCOUNTANT

*For confidentiality purposes, we have omitted the use of names.



Common Questions we get asked in Tax Planning

Owning Sheds for Trade Businesses

We often get tradesman wanting to know the best way to build and own their own sheds. They often have a general concept of what they want to do however how to effectively manage while remaining compliant is where we can help.

How many businesses do Tax Planning? Is it most people?

At Strategem we would encourage all businesses and high-net-worth individuals to engage in tax planning. No matter the industry, it's an opportunity to have a conversation about your financial position, and if you can implement some strategies to save your tax, that's a bonus.

I earn a comparatively higher wage than my spouse

Are my partner and I better off purchasing investment assets in my spouse's name or in structure like a Trust? I don't really want to add more income in my name on top of my wages that I already pay significant levels of tax on.

Negative Gearing

What sort of tax benefits could I expect from investing in a negatively geared rental property? At my stage in life, with my level of wealth could I be better off investing in positively geared real estate investments? Can you help me with a referral to a financial planner?

Employees at hospital and not-for-profits

How does salary packaging work? how can I utilise the FBT exemptions available to me from my employer in taking some of my earnings as tax-exempt reportable fringe benefits? What type of costs can I cover with salary packaging?



| Final Advice from Strategem

Strategem's final piece of advice is to prioritise conversation with regards to your finances.

Strategem's final piece of advice is to prioritise conversation with regards to your finances. Just like any other relationship, financial planning requires open and honest communication. By engaging in a thorough conversation, you can review your current financial situation and identify potential tax minimisation strategies to ensure growth.

However, tax minimisation is not the only benefit of having a conversation about your finances. It also allows you to review your growth strategies, understand where your business stands, and make informed decisions about your financial future. Therefore, having a dedicated conversation that covers all these aspects is vital.

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