

Increase Your Savings

...build your super or fund your children's education

For whatever savings need you have, a key issue for most of our clients is how to also manage their tax more effectively, and benefit more from the income they have earned throughout the year.

Investing in tax effective projects can be a way to achieve a range of tax planning and wealth creation objectives. Tax effective investments have been structured to provide the dual advantages of outstanding tax benefits in the short term (as high as 100% tax deduction in first year)

with the potential for a sound long term income. We see the purpose of tax planning is to create wealth by generating more out of income earned and reduce the amount being taxed at our client's highest marginal tax rate.

The example below demonstrates how investing in a tax effective investment project can be used to achieve effective outcomes, whether for example, you are looking to build up your super or fund your children's education.

Case study

Shaun is a Project Manager earning a salary of \$175,000. He is looking for an investment that provides taxation advantages now, and a long term income stream.

Shaun utilizes the benefits of a tax effective investment such as a plantation or almond project through a major corporation such as Macquarie or Great Southern..

Following an in depth financial assessment with one of our advisors, Shaun decided to purchase 10 woodlots (\$30,000 +GST) in a 2007 plantation project. By doing so he received an **immediate tax benefit** of \$13,700 in his 2007 income tax return, as shown in the below table.



	No tax planning	Plantation strategy – 10 woodlots
Salary	\$175,000	\$175,000
Tax effective investment		\$30,000
Taxable income	\$175,000	\$145,000
Tax on income	\$61,725	\$48,025
After tax position	\$113,275	\$126,975
TAX SAVING		\$13,700

Benefits

- Reduction in tax payable
- Medium term investment created
- Diversified investment in a new asset class
- Expected future income approximately 8-12 years after planting
- Flexible finance options including 12 months interest free



Noall & Co.
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