Your 2017 Tax Guide

Preparing for change

InvestSMART | **Special Report** | 1 June 2017

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Introduction

Australia's taxation landscape is set to change once again from the start of the 2017–18 financial year, and steps taken now – in the 2016–17 financial year – can make a big difference.

Unfortunately, the time clock is ticking down and seeing a tax professional before June 30 may be a wise step, depending on your financial circumstances.

Probably the biggest changes coming into effect from the next financial year relate to superannuation and the level of concessionally taxed contributions that can be made. Essentially, those able to do so can put in an extra $10,000 pre-tax into their super before June 30 this financial year and pay only 15 per cent tax. From July 1, the concessionally taxed super limit will be reduced.

For investors, a new set of changes announced in the most recent Federal Budget in May also come into effect on July 1 that will limit or totally remove certain deductions that have been allowed in the past. Foreign investors will be impacted by other changes relating to capital gains tax and property ownership.

And new legislation that comes into effect on July 1 means that all taxpayers will be liable for even higher penalties from the Australian Taxation Office if they avoid declaring income, including investment income, or fail to lodge their tax returns on time.

The ATO is already well on its way to knowing your every investment move.

Advances in technology and strategic alliances with other regulators, financial institutions, share trading platform providers, investment groups and tax software developers means that ATO has just about every base covered.

This special report explains all the impending tax changes, including those that need to be taken into consideration before June 30, 2017, and those that should be built into investment tax planning for the next financial year.

And it includes a tax checklist for all investors, including self-managed super fund trustees, to ensure you're fully prepared to lodge your next tax return.

As always, we recommend you seek out specialist advice from an accountant or financial adviser as early as possible to assess your situation and help you prepare before the end of the current financial year.

Tony Kaye
Editor, InvestSMART

IMPORTANT INFO

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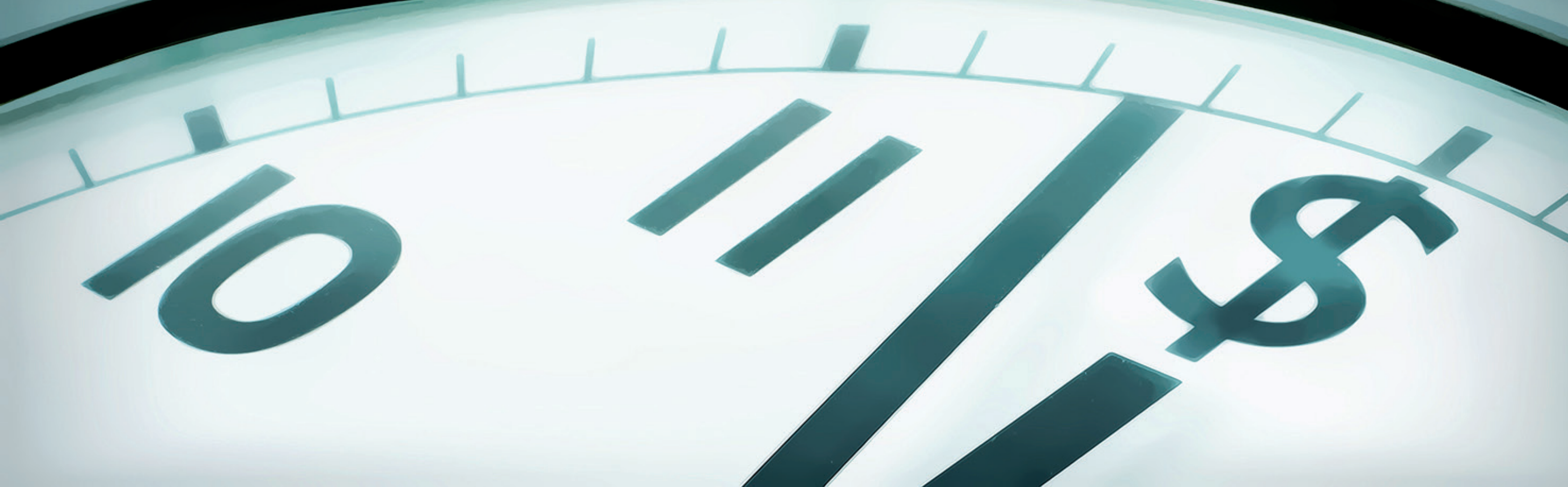


With less than a month to go until June 30, these steps can make all the difference to your tax affairs.

Tax time 2016–17

When it comes to tax planning, there are generally two rules of thumb.

Some individuals, who meticulously plan out their tax affairs throughout every financial year, get to the end of June each year knowing full well they have ticked all the tax boxes they can so they can gain the maximum benefits available to them from the Tax Office.

Then there are those who essentially glide through each financial year with little thought and, after eventually lodging their tax return for the previous tax year, come to the realisation they have missed out on opportunities to reduce their tax bill. By then, of course, the tax horse has bolted. There's never an opportunity to wind back the clock.

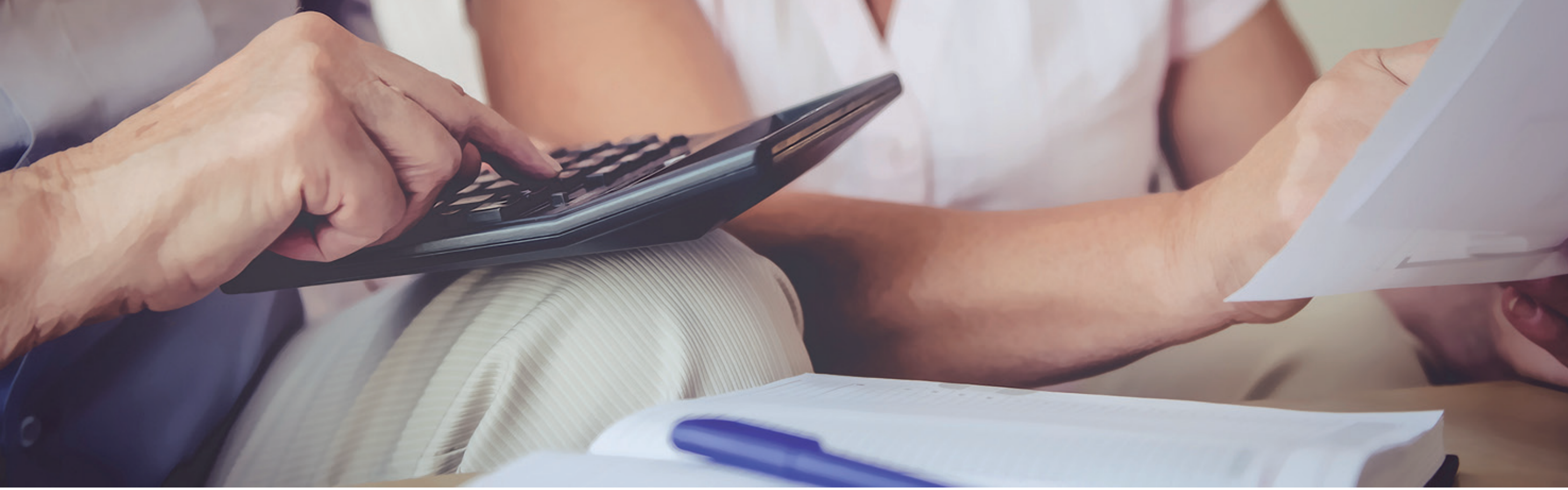
In the lead-up to June 30, 2017, taxpayers who have followed the latter course have a limited time to firstly understand all the entitlements available to them, and secondly to take action before it's too late.

To get you in the tax mood, below is a checklist of things to do before midnight on Friday, June 30.

- Hunt down all claimable expense records for the current financial year, related to either personal deductions from pay as you go income, self-employed income, and investment income;
- Gather all bank account and credit or loan statements for the financial year;
- Familiarise yourself with all the allowabl e deductions from the ATO related to your particular field of work, and ensure you have receipts to back up any expense claims;
- Those wanting to reduce their assessable income by purchasing claimable items before June 30 should ensure that full payment is made this financial year. Items bought on credit and paid for next financial year will not be claimable in 2016–17;
- If possible, prepay interest on borrowings before June 30 so it can be claimed in this financial year;
- Investors including self-managed super fund trustees should be aware of all the allowable deductions that can be made on the assets they hold, and have detailed records to back up any expense claims. The ATO website provides detailed information on allowable deductions for investment purchases, such as the interest costs on funds borrowed to purchase assets;
- SMSF trustees and other individuals have a one-off opportunity to contribute up to $35,000 in concessionally taxed superannuation this financial year. After July 1 the limit will drop to $25,000 per annum.
- Full and separate records should be kept for every asset, including the date of purchases and related expenses such as share transaction costs, borrowing costs, cash expenses paid, and income received including dividends;
- Crystallising investment losses before June 30 to offset capital gains can be a prudent strategy. If assets need to be realised to achieve this aim, make sure the sale transaction is settled before June 30;

> **“Crystallising investment losses before June 30 to offset capital gains can be a prudent strategy.**

- But don’t sell assets such as shares to crystallise a loss this financial year, and then buy back the same assets soon after. The ATO takes a dim view of investors who sell assets purely to book a capital loss, only to repurchase the same shares either concurrently or shortly after the initial sale. This form of “wash sale” is considered tax avoidance, and can attract harsh penalties. In the past, the ATO has warned that it pays even closer attention to the risk of wash sales if the share market falls before June 30. The ATO pays attention to any transfer of assets occurring in June, and taxpayers should scrupulously document the reasons for such transfers to demonstrate that it was not done with the purpose of avoiding tax. The laws against wash sales can also apply to a transfer of a paper loss security into a self-managed superannuation fund as well as sales by regular investors.
- Lastly, don’t wait until after June 30 to see your accountant or financial adviser. It makes sense to set up an appointment early in June to ensure you’re on the right track with your tax planning so you have ample time to take action before the end of the month.



Just like individuals, super funds can claim their own deductions. The trick is knowing what they are.

What SMSFs can deduct

For members of self-managed superannuation funds, the good news is that there are no changes to the tax rules around how much tax will be levied on contributions and earnings after July 1, 2017. That all stays the same.

The bad news is that, under certain conditions, some individuals that previously paid no tax on their superannuation earnings (ostensibly, those in retirement phase), may have to start paying 15 per cent tax again. This will apply to SMSFs and individuals with more than $1.6 million in a pension account, because any surplus will need to be rolled back into a superannuation accumulation account. Such accounts will be charged 15 per cent tax on their annual earnings.

But nothing has changed to the laws applying to the allowable deductions by super funds.

The costs deductible by a super fund have the same tax law applied to them as an individual. In legal terms, they are those items that are losses or outgoings incurred in producing or gaining assessable income.

Super funds and individuals can also claim a tax deduction for tax-related expenses. Therefore, a super fund can claim a tax deduction for accounting and other costs associated with meeting its tax obligations. Unlike individuals, a super fund can claim a tax deduction for life and disability insurance premiums.

The important thing to stress is that there must be a connection between the amount spent and the income earned for the expense to be tax deductible. Even if there is a connection between an amount spent and income earned, there are three types of expenditure that are not deductible:

- items that are of a capital, private or domestic nature
- expenditure that is incurred in gaining or producing exempt income, and
- there is something in the Income Tax Act that prevents a tax deduction.

Under the first type super funds would only have capital expenditure and should not have any private or domestic expenditure. For an item to be tax deductible it must relate to producing or earning the income. Where it relates to the cost of buying an income-producing investment it is regarded as a capital cost and is therefore not deductible.

This means the cost of buying investments such as shares; units in an investment trust or a rental property are not deductible against income of the fund. If a fund paid private or domestic expenses on behalf of its members the trustees would be in breach of the sole purpose test.

The second type relates to costs that the trustees of an SMSF cannot claim because they are associated with investments allocated to the pension phase and the income is not taxable.

Examples of the third type, that are excluded by the Tax Act, include the cost of entertaining, fines and bribes paid.

What follows are deductible and non-deductible expenses common to an SMSF. This is not an exhaustive list of all deductible and non-deductible items and should only be used as a guide.

> **“An individual can discount a capital gain by half, while an SMSF can only discount the gain by a third.**

Expenses that are deductible include:

- costs of life insurance;
- accounting fees;
- costs of ongoing investment advice;
- bank charges;
- rental property costs such as agent fees and repairs;
- annual lodgement fees;
- trustees’ out-of-pocket costs required to discharge their duties;
- actuarial fees;
- valuation fees;
- investment management fees;
- administration service fees;
- audit fees.

Expenses that are not deductible include:

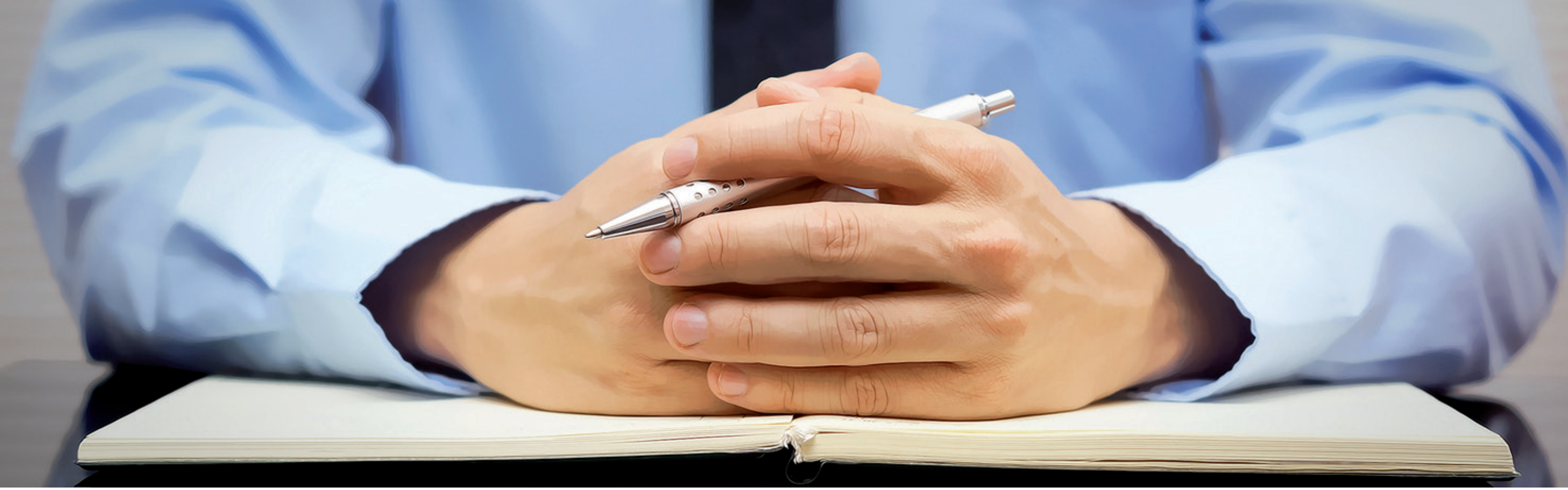
- costs of setting up the SMSF;
- costs of initial financial planning advice when the fund is established and/or when investments are selected;
- penalties imposed by the ATO and the Australian Securities & Investments Commission (ASIC);
- purchase costs of an investment;
- costs relating to certain deed amendments.

Things get complicated when a super fund has members in both accumulation phase and pension phase. In this case concessional contributions and income related to the accumulation phase investments are taxed, while the income earned on the pension-phase investments is not taxed.

Where a member is retired but takes lump-sum payments the fund is still regarded as being in accumulation phase and pays tax on its income.

Another difference between individuals and super funds is the capital gains discount applied to investment assets owned for longer than 12 months. An individual can discount a capital gain by half, while an SMSF can only discount the gain by a third.

This means super funds effectively have two tax rates, 15 per cent on normal income and concessional contributions and 10 per cent on eligible capital gains.



Changes announced in the latest Federal Budget are further proof that the Tax Office is on a mission to keep investors honest.

The ATO's crackdown on investors

Australian Taxation Office Commissioner Chris Jordan makes no bones about tracking down tax evaders, and he's not just focused on recouping undeclared income from multinational corporations.

"Our efforts will be focussed on providing Australians with a service; helping people get things right, through prevention rather than correction, early engagement, advice and guidance, and alternative dispute resolution," he said in April. "Importantly, we are also ready and able to deal with those who willingly step outside the tax system and hold them to account."

As if to prove the point, in May the ATO announced it had exposed a $165 million alleged tax fraud it and other regulators had been attempting to crack for many months.

A massive investment in technology over recent years has dramatically increased the ATO's online surveillance capabilities, with linkages with a large range of external data sources enabling the tax regulator to capture more information than ever before.

And even investors with foreign assets are not immune from the ATO's revenue clutches. After giving Australian investors an amnesty on declaring their offshore assets several years ago, including cash holdings and hard assets such as property, the regulator was able to rake in more than $250 million in additional tax receipts levied against investors holding more than $2 billion in overseas interests.

What this means for smaller investors is that size of the ATO's tax capturing net is getting larger and larger, while the actual holes in the net are getting smaller and smaller. Anything bigger than financial plankton is unlikely to escape detection, and even investors committing seemingly tiny misdemeanours risk prosecution.

Having successfully identified scores of tax evaders in the latest financial year, including sophisticated Australian investors identified in the haul of documents known as the Panama Papers, the ATO is now making a concerted push to rein in all investment tax cheats.

High on the list are property investors, and the Federal Government announced several new measures in the May 9 Budget to close off loopholes that have enabled some to abuse allowable deductions on real estate fixtures and fittings, and to claim travel expenses purportedly incurred for inspecting their distant property holdings.

Below are the Government's latest measures, which come into effect from the start of the 2017-18 financial year.

Plant and equipment depreciation deductions

If you have purchased one or more established investment properties over time and have been depreciating the costs of the fixtures and fittings, the good news is you still can.

But Federal Treasurer Scott Morrison announced changes in the latest Budget that mean the depreciation goal posts relating to deductions on properties have been moved.

> **The Government will limit plant and equipment depreciation deductions to outlays actually incurred by investors in residential real estate properties.**

In doing so, the Government hopes to capture an additional $40 million in tax revenue over the next financial year, and treble that tax take by 2020–21.

Revenue ($m)

	2016–17	2017–18	2018–19	2019–20	2020–21
AUSTRALIAN TAXATION OFFICE	–	–	40.0	100.0	120.0

From July 1, 2017, the Government will limit plant and equipment depreciation deductions to outlays actually incurred by investors in residential real estate properties. Plant and equipment items are usually mechanical fixtures or those which can be 'easily' removed from a property such as dishwashers, carpet and ceiling fans.

The Government says this is an integrity measure to address its concerns that some plant and equipment items are being depreciated by successive investors in excess of their actual value. Acquisitions of existing plant and equipment items will be reflected in the cost base for capital gains tax purposes for subsequent investors.

These changes will apply on a prospective basis, with existing investments grandfathered.

The Government says that plant and equipment forming part of residential investment properties as of the Federal Budget on May 9 (including contracts already entered into at 7:30PM (AEST) on May 9 this year) will continue to give rise to deductions for depreciation until either the investor no longer owns the asset, or the asset reaches the end of its effective life.

Investors who purchase plant and equipment for their residential investment property after May 9, 2017 will be able to claim a deduction over the effective life of the asset. However, subsequent owners of a property will be unable to claim deductions for plant and equipment purchased by a previous owner of that property.

Disallowing travel expenses deduction for residential rental property

It also seems the Federal Government has cottoned on to some investors having claimed the cost of their travel costs to see interstate residential properties. The Gold Coast has been a favoured property purchasing destination for interstate investors, and many have claimed the cost of travelling to inspect their investments over time. The problem is, most of these properties are already managed by professional real estate agents.

Judging by the Government's calculations that it will net $540 million over its forward estimates from closing off this loophole, the practice of deducting travel costs (including airfares and accommodation) is obviously rampant.

Revenue ($m)

	2016–17	2017–18	2018–19	2019–20	2020–21
AUSTRALIAN TAXATION OFFICE	–	–	160.0	180.0	200.0

From July 1, 2017, the Government will disallow deductions for travel expenses related to inspecting, maintaining or collecting rent for a residential rental property.

The Government says this is another integrity measure to address concerns that many taxpayers have been claiming travel deductions without correctly apportioning costs, or have claimed travel costs that were for private travel purposes.

"As part of the Government's strategy to improve housing outcomes, this measure will provide confidence in the tax system by ensuring tax concessions are better targeted," according to Treasurer Morrison.

"This measure will not prevent investors from engaging third parties such as real estate agents for property management services. These expenses will remain deductible."

> **The Government will encourage investment into affordable housing by enabling Managed Investment Trusts (MITs) to invest in affordable housing.**

Further clarity on the measure will be required, including where an investor uses a tax agent or financial advisor based in the same location as their investment property, and where travel for direct meetings is required.

Improving the integrity of GST on property transactions

Another tax hole the ATO wants to plug is to stop the leakage of Goods and Services Tax payable by property developers.

Under the current law (where the GST is included in the purchase price and the developer remits the GST to the ATO), some property developers are failing to remit the GST to the ATO despite having claimed GST credits on their construction costs.

From July 1, 2018, the Government will strengthen compliance with the GST law by requiring purchasers of newly constructed residential properties or new subdivisions to remit the GST directly to the Australian Taxation Office (ATO) as part of settlement. As most purchasers use conveyancing services to complete their purchase, they should experience minimal impact from these changes.

The ATO is using its surveillance skills to track down offenders, and the Government has calculated this initiative will add $660 million to its tax revenue coffers over time.

In effect, the Government is slowly but surely walling off as many property corridors as it can to stem tax evasion. But there are a number of new initiatives just announced that will give property investors a tax leg up, and they relate to the provision of investment funding for affordable housing initiatives.

Affordable housing through Managed Investment Trusts

Starting from July 1, 2017, the Government will encourage investment into affordable housing by enabling Managed Investment Trusts (MITs) to invest in affordable housing.

Investors through MITs will receive concessional taxation treatment, but to qualify the affordable housing being invested in must be available for rent for at least 10 years.

MITs allow investors to pool their funds to invest in primarily passive investments and have them managed by a professional manager. Under this new scheme, MITs will be able to acquire, construct or redevelop properties but must derive at least 80 per cent of their assessable income from affordable housing.

Qualifying housing must be provided to low to moderate income tenants, with rent charged at a discount below the private rental market rate.

The MIT scheme will also have benefits for foreign-based investors, who are already playing a key role in the Australian property market. Under the MIT withholding

Revenue ($m)

	2016–17	2017–18	2018–19	2019–20	2020–21
DEPARTMENT OF THE TREASURY	–	2.8	–2.6	–4.6	–4.8
AUSTRALIAN TAXATION OFFICE	–	–	200.0	220.0	240.0
TOTAL — REVENUE	–	2.8	197.4	215.4	235.2
RELATED EXPENSE ($M) AUSTRALIAN TAXATION OFFICE	–	1.8	–2.6	–4.6	–4.8
DEPARTMENT OF THE TREASURY	–	–	940.0	300.0	330.0
TOTAL — EXPENSE	–	1.8	937.4	295.4	325.2
RELATED CAPITAL ($M) AUSTRALIAN TAXATION OFFICE	–	1.0	–	–	–

> **Properties held for rent as affordable housing for less than 10 years will be subject to a 30 per cent withholding tax rate on the net capital gains.**

tax regime, non resident investors are generally subject to a reduced rate of tax if they are a resident of a country with which Australia has an effective exchange of information treaty. Non resident investors are generally subject to a 15 per cent final withholding tax rate on fund payments from the MIT.

Resident investors will be taxed at their marginal tax rates, with capital gains remaining eligible for the existing capital gains tax discount.

Up to 20 per cent of the income of the MIT may be derived from other eligible investment activities permitted under the existing MIT rules in the income tax law. If this is breached, or less than 80 per cent of the MIT's income is from affordable housing in an income year, the non resident investor will be liable to pay withholding tax at 30 per cent on investment returns for that income year.

Properties held for rent as affordable housing for less than 10 years will be subject to a 30 per cent withholding tax rate on the net capital gains arising from the disposal of those assets.

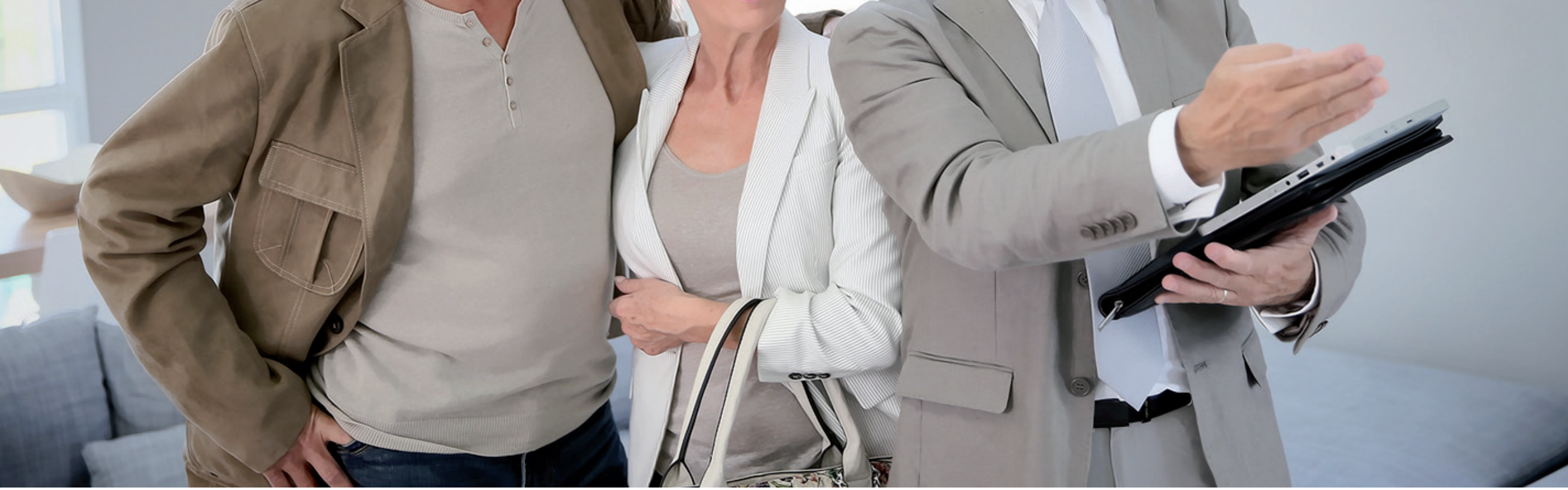
This measure is estimated to have an unquantifiable cost to revenue over the forward estimates period. The Government will provide $1.5 million to the ATO to implement the measure.

Expanding tax incentives for investments in affordable housing

Meanwhile, from January 1, 2018, the Government has announced it will provide an additional 10 percentage points capital gains tax discount, increasing the discount from 50 per cent to 60 per cent, to resident individuals who elect to invest in qualifying affordable housing.

To qualify for the higher discount, housing must be provided to low to moderate income tenants, with rent charged at a discount below the private rental market rate. The affordable housing must be managed through a registered community housing provider and the investment held for a minimum period of three years.

The higher discount would flow through to resident individuals investing in qualifying affordable housing Managed Investment Trusts.



Despite all the latest superannuation rule changes, owning a property inside an SMSF has big tax advantages.

Why property remains a tax-effective SMSF strategy

Superannuation by its nature is a lower tax environment which, of course, is what makes it so attractive.

And the attractiveness grows as you age, with the tax rate for earnings and capital profits in a super fund going to zero once you turn 60 and your fund goes into pension phase (only on pension accounts holding less than $1.6 million from July 1, 2017).

Theoretically then, holding property in super can be very advantageous from a taxation perspective. Say you are aged 45 and you buy an investment property outside your self- managed super fund (SMSF). You keep it for 10 years and sell it.

The result can be a capital gains tax bill of many thousands of dollars because you effectively pay capital gains tax at your marginal rate on half of the profit you have made on selling the property. If you own it through a super fund the situation is different.

Given that super fund contributions to, and earnings in, a super fund are taxed at 15 cents in the dollar, the rent you receive while holding a property in a super fund is concessionally taxed. And when it comes to selling it, the capital gains tax in super is only 10 per cent compared to your marginal tax rate on half the gain outside super.

And remember, once you hit age 60 and the fund goes to pension phase, there is no tax of any sort provided you are under the incoming $1.6 million pension balance cap.

Putting a property in your super fund has to be managed in the right way. The ATO demands all such transactions be made at arm's length and will not allow you to transfer a residential property you currently own into your super fund.

So if you want to own a residential property through your super fund you have to go out and buy one. Arm's length rules mean once you do that you can't live in it yourself and you can't put your children or relatives in it at discounted rent.

With properties used to operate businesses the situation is different. Properties used to run businesses can be put into SMSFs, even if you own them. However the ATO will scrutinise the deal to ensure it is done at arm's length in terms of the SMSF paying a fair market price for the building and that full market rents are paid if you operate your business in it.

Many businesspeople, investors and professionals got a major leg-up in 2006 when then Treasurer Peter Costello allowed one-off contributions of $1 million to go into super without triggering contributions limits or contributions tax.

The rule applied to commercial property so people in a situation to do so moved their business premises or commercial investment properties into the fund. But for those who were unable to do it back then, all is not lost.

Up until June 30, 2017, the ATO will allow people to make non-concessional contributions to their super funds of $180,000 a year. After then, the annual limit will drop to $100,000.

> **“Negative gearing inside super is less advantageous as super funds are only taxed at 15 cents in the dollar.**

For owners of lumpy assets such as property, contributions can still be made for up to three years in advance, meaning you can put in $540,000 this financial year in one contribution. From next financial year, the limit will be $300,000.

Say a couple are both members of the same SMSF and they want to put a commercial property they already own worth $1.08 million in their fund.

They could transfer the building into the SMSF in June prior to the end of the financial year. The transaction would be accounted for as follows.

Both would class the deal as a $180,000 non-concessional contribution for the year it was made in and would pull forward $360,000 each from their next three years' allowable contribution of $540,000. That would make a total $1.08 million, or $540,000 in contributions from each partner, and allow them to put the asset into their super.

Once the property is in super the tax benefits start to kick in, with rent being taxed at concessional rates and the whole asset moving towards tax-free status when the fund reaches pension phase.

There is one thing worth thinking about in evaluating what structure you hold investment property in, and that is gearing. If a property is heavily geared, and you have a significant income from employment, business or investments, then you could earn significant tax benefits through negative gearing, or writing your interest costs off against your income.

Negative gearing inside super is less advantageous as super funds are only taxed at 15 cents in the dollar.

And remember that if you sell a property you own to your super fund, you will have to pay capital gains tax on the deal.

Those with more than $1.6 million in their super fund can apply for capital gains tax relief.

The super CGT tax reset

In the 2016 Federal Budget the Government announced a whole swag of changes to superannuation limits, including a monster initiative aimed at reducing the pension tax-free benefits to individuals in retirement.

From July 1, 2017, any individual with more than $1.6 million in a tax-free pension account will need to roll back the excess into a superannuation accumulation account and pay tax on any earnings in that account at the rate of 15 per cent.

Superannuation members with pension account balances over $1.6 million, that are required to commute the excess portion of the pension balance and roll it back into accumulation, could have been disadvantaged with regard to capital gains tax for the investments that would no longer support a superannuation pension.

In recognition of this there will be transitional CGT relief for superannuation funds that reallocate already apportioned investments between November 9, 2016 and June 30, 2017. The CGT relief will differ depending on whether an SMSF uses the segregation method or the unsegregated actuarial method for identifying pension assets and accumulation assets.

For super funds that segregate their pension assets from their accumulation assets, and a member rolls back into accumulation the estimated excess pension account balance before July 1, 2017, those assets being reallocated to the accumulation account will effectively have their cost base re-set.

Here's how the CGT relief provisions work:

- They only apply to assets held at June 30, 2017, where those assets were first owned by the fund on or before November 9, 2016 (when the legislation relating to the 2016 Budget was actually passed in Federal Parliament);
- The legislation allows the cost base for CGT purposes of each asset to be reset to its market value as at June 30, 2017 (irrespective of the capital gain made beforehand);
- But the cost base reset will not occur automatically. A super fund trustee must make an irrevocable election to reset the cost base of an asset;
- The election must be made on or prior to the lodgement due date of the fund's 2016–17 annual tax return (which has been extended by the ATO to June 30, 2017);
- Importantly, the election can be made on an asset by asset basis.

To benefit from the resetting the cost base of these investments the superannuation fund must have segregated current pension assets at November 9, 2016, in other words it must have been using the segregation method before the changes were legislated.

In addition, the investment asset must either cease to be segregated pension asset and become a segregated accumulation asset before July 1, 2017, or the fund chooses to use the unsegregated actuarial method for determining

> **Unless action is taken by members with pension accounts in excess of $1.6 million during the 2017 year they could miss out on capital gains tax relief and pay the excess transfer balance tax.**

exempt income for the 2017 financial year, and the fund chooses to apply for CGT relief by notifying the ATO.

The CGT relief will effectively mean the cost base for all segregated pension assets, that are reallocated to support an accumulation account, is reset to the market value at the time of the transfer. As a result capital gains tax will only be paid upon the sale of those investments on any increase in value from July 1, 2017.

Where CGT relief is claimed for assets care needs to be taken because the ownership period for the one-third CGT discount available to SMSFs is also reset. This means if an SMSF member reallocates segregated asset at March 31, 2017, and claims the CGT relief for that asset, if it is sold before April 1, 2018 the one-third CGT discount will not be available.

Super funds that use the unsegregated actuarial certificate method for differing between pension and accumulation assets can also apply for CGT relief on the pension assets reapportioned to accumulation assets.

In this situation the cost base of all investments of the superannuation fund are reset at June 30, 2017 to the market value, by there being a deemed sale and buyback occurring on that date. A notional capital gain will be calculated as having been made by the fund on all of its investments at June 30, 2017.

Where an SMSF currently has both accumulation and pension accounts before the roll back of the excess pension transfer limit, the proportion of the notional capital gain relating to accumulation assets can either be included in the 2017 tax return for the SMSF with tax being paid then, or the notional gain can be deferred and declared in the tax return of the year when the asset is sold.

This effectively means any assets that had previously been supporting pension accounts, which have now been classed as supporting an accumulation account, will not be paying capital gains tax on any unrealised gains at June 30, 2017.

An SMSF will not be eligible for the CGT relief unless the amount that a member's pension account exceeds the new pension transfer limit is less than $100,000 at June 30, 2017. There are other concessions available to members that are proactive and make sure that their pension account does not exceed the transfer limit by more than $100,000.

These include no deemed notional earnings being calculated on the excess that would normally be required to be transferred back to accumulation, and no excess transfer balance tax will be payable if the excess is rectified within six months.

To labour a point the best advice I can give for the coming year is don't ignore the superannuation changes. Unless action is taken by members with pension accounts in excess of $1.6 million during the 2017 year they could miss out on capital gains tax relief, have a larger amount be classed as in excess due to deemed earnings, and pay the excess transfer balance tax.