

Taxing times

TURN JUNE INTO A GREAT OPPORTUNITY TO SHOW SOME RESOLVE AND SORT OUT YOUR FINANCES, SAYS POLLY SIMONS

It's June again and time to be scared of the tax monster.

More than 81 per cent of people who lodge returns each year claim deductions, and in recent years, the cost of doing your tax has risen by more than 12 per cent to about \$300 per person. That's a lot of money and paperwork.

But June 30 is also about the chance to start anew.

Here *Northside* asks the experts to pick "financial new year resolutions" for getting started and helping out.

The big mistake families make in looking after money is doing nothing, said financial adviser Analaura Luna.

"Most people take their jobs more seriously than their personal finances," she said. "But not having a plan means everything else gets in the way."

Mrs Luna and husband Wilson own Crows Nest's Sage Financial Services and are the brains behind the *Your Family Your Money* website and books.

She said rebates on everything from superannuation to solar panels save dollars.

"Most people don't make the most of little things," she said.

"But it's silly, it's like giving money away."

She said it's easy

to reduce the tax bill before June 30 by selling off badly-performing assets, paying off income protection and investment loan interest in advance, and taking advantage of superannuation co-contributions.

Long-term, it is about planning. "All you need do is sit down and look at your finances to audit how you're living and what your household is like," she said. "Many people don't seek financial advice because they're too scared. That's where problems start."

Details: yourfamilyyourmoney.com.au

If you're already a property investor, chances are all you'll need to do this

tax time is make sure you get your docketts in on time.

But with some experts predicting the possibility of another crisis at year's end, anyone who has thought of trying the property market may be reconsidering.

Don't, said Jim Leone, branch manager of Destiny Financial Solutions in Crows Nest and last year's Property Coach/Mentor of the Year, according to *Your Property Investment* magazine. "At the moment,

we can see storm clouds approaching, but we're not sure if they're big clouds or just a

big cloud or just a sprinkle," he said. "As much a cliché as it sounds, there's always the perfect time to buy the perfect property."

But not the Palm Beach weekender you fancied. The key, said Leone, was to buy in "bread-and-butter areas" like regional towns and parts of Sydney such as Liverpool and Blacktown with growth potential.

"These might not have a heap of growth but you won't have trouble finding tenants," he said. "Eventually they'll pay for themselves."

The key was to set a budget and stick to it.

"There's a lot of books out there with titles like *Zero to 100 properties in two years*" and people always think that's what they need to do," he said.

"But that's maybe one in a million people.

"Take baby steps. Start with low-price properties and build up your knowledge from there."

Details: destiny.net.au

So your finances are sorted and your property portfolio is bulging at the seams.

But what happens if you want to give some of it away to worthy causes?

charities during the 2007/08 financial year.

And of the 12.6 million tax returns lodged, more than eight million did not claim a single tax-deductible gift.

Clearly there's room for improvement, but fortunately becoming more philanthropic is easier than you may think.

If you're looking to make a difference before June 30, your best way is to give to your favourite charity or community foundation.

"It's the perfect time of year to get involved," said Gina Anderson, CEO of peak body Philanthropy Australia.

"All you need do is write a cheque."

But what if you're looking for a more permanent arrangement? It's

here that your options become more complicated.

Either give it to a public philanthropic fund such as the Sydney Community Foundation, or if you're looking at \$100,000 or more, consider starting your own private foundation.

"I think it's often very difficult for people to know where to start with philanthropy," said Rosalind Strong, chair of the Sydney Community Foundation.

Since 2003, the foundation has given more than \$300,000 to organisations dealing with social issues such as homelessness and poverty, either through pooled public donations given to those areas most in need, or

through subfunds created by individuals and managed by the foundation. Subfunds can be created for virtually anything, provided will help those who are disadvantaged.

"We had one gentleman who really wanted to help grandparents raising grandchildren, so we put him in touch with the Department of Ageing," Ms Strong said.

"So often people really want to give some money away but they don't know where to give it or how to go about it."



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