

MARK YOUR TAX ACCOUNTANT

Member of SAPEPAA

END OF FINANCIAL YEAR TAX PLANNING GUIDE

Tailored Specifically for Australian Doctors & Medical Professionals

Financial Year Ending 30 June 2026

Introduction

As a doctor in Australia, you are likely one of the highest income earners in the country — which also means you have one of the biggest opportunities to legally reduce the tax you pay. The end of the financial year (30 June) is a critical deadline. Decisions made before this date can save you thousands of dollars; decisions made after it cannot be unwound.

This guide has been prepared specifically for medical professionals — whether you are a salaried hospital doctor, a GP working under a service agreement, a specialist in private practice, or a doctor who has structured their income through a company or trust.

Important: Tax laws change regularly. This guide reflects general principles applicable for the 2025–26 financial year. Always seek advice from a registered tax agent before acting on any strategy.

1. Understanding Your Income Structure

Before jumping into strategies, it is important to understand how your income is structured — because the rules and opportunities differ significantly depending on your situation.

Common Structures for Doctors

Your Situation	Key Considerations
Salaried employee (hospital/public system)	PAYG withholding, limited deductions, salary sacrifice may be available
Contractor/locum (sole trader)	ABN, business deductions, quarterly BAS, personal income tax
Service entity (company or trust)	Income splitting, corporate tax rates, trust distributions, Division 7A
Mixed (employed + private billing)	Multiple income streams, complex deductions, careful record-keeping essential

If you are unsure about your structure, or if it has not been reviewed recently, contact us before 30 June. The right structure can make a significant difference to your tax position.

2. Deductions Available to Doctors

One of the most common questions we hear from doctors is: 'What can I actually claim?' The answer depends on your work arrangement, but below are the most significant categories.

Professional Memberships & Registrations

You can claim costs directly related to maintaining your registration and professional standing. These typically include:

- AHPRA registration fees
- Medical indemnity insurance (MDO, Avant, MDA National, etc.)
- College memberships (e.g. RACGP, RACP, RACS, RANZCOG, ANZCA)
- Specialist society and association fees
- State-based or specialty-specific registration costs

Continuing Professional Development (CPD)

Expenses related to maintaining or improving skills directly related to your current income are deductible. This includes:

- Conference registration fees (including travel and accommodation where the primary purpose is CPD)
- Online courses, webinars, and training programs
- Medical journals, textbooks, and clinical apps (e.g. UpToDate, Epocrates)
- Study materials for specialist exams

Travel for conferences: If you attend a conference interstate or overseas, you can claim work-related costs. However, if there is a significant private element (e.g. adding a family holiday), the ATO will apportion the deduction. Keep detailed records.

Work-Related Equipment & Technology

- Stethoscopes, ophthalmoscopes, tendon hammers, and other clinical tools
- Scrubs, theatre clogs, and protective equipment (not reimbursed by employer)
- Laptop, tablet, or smartphone — the work-related portion only
- Medical software and apps used for clinical purposes

Home Office Expenses

If you work from home (e.g. for telehealth, billing, clinical notes, or admin), you may be able to claim a portion of home running expenses. The ATO currently offers a fixed rate method of 70 cents per hour worked from home. You must keep a record of the hours worked from home.

Self-Education Expenses

Where education is directly related to your current employment or practice (not for a new career), expenses are deductible. Note: The ATO removed the \$250 reduction for self-education expenses from 1 July 2022, meaning the first dollar is now deductible (subject to work connection).

Vehicle & Travel Expenses

- Travel between different workplaces on the same day (e.g. hospital to clinic) is deductible
- Travel from home to work is generally NOT deductible — this is private travel
- You can claim using the logbook method (actual expenses) or the cents-per-kilometre method (up to 5,000 km at 88 cents/km for 2025–26)

Keep a logbook for at least 12 continuous weeks if using the logbook method. Once established, it is valid for 5 years (provided your work-related use pattern does not change significantly).

3. Superannuation — Your Single Biggest Lever

For most doctors, superannuation is the most powerful tax planning tool available. Contributions are taxed at just 15% inside the fund, compared to marginal rates that can reach 47% (including Medicare Levy) for high-income earners.

Concessional (Pre-Tax) Contributions

For the 2025–26 financial year, the concessional contributions cap is \$30,000 (unchanged from the prior year). This includes:

- Employer contributions (Superannuation Guarantee — currently 12% from 1 July 2025)
- Salary sacrifice contributions
- Personal deductible contributions (where you claim a deduction — see below)

For a doctor on \$300,000+ per year, the tax saving from a personal concessional contribution can be over \$9,000 in a single transaction (the difference between 47% marginal rate and 15% contributions tax, on a \$30,000 contribution).

Personal Deductible Contributions — Important Deadline

If you are self-employed or earn income outside employment (e.g. locum work, private billings), you can make personal contributions to super and claim a tax deduction. To do this:

- Contribute to your fund before 30 June
- Lodge a 'Notice of Intent to Claim a Deduction' form with your super fund before you lodge your tax return
- Ensure your fund acknowledges receipt of the notice

The notice of intent is easily overlooked. If you do not lodge it before lodging your tax return, you lose the deduction — permanently. Contact us now if you are planning to do this.

Catch-Up (Carry-Forward) Contributions

If your total super balance was below \$500,000 on 30 June 2025, you may be able to use unused concessional cap amounts from previous years (going back to 2020–21). This can allow contributions well above the standard \$30,000 cap in a single year — a powerful catch-up opportunity for doctors who were studying or working part-time in earlier years.

Spouse Contributions

If your spouse earns below \$37,000, you may be able to claim a tax offset of up to \$540 for contributions made to their super account (up to \$3,000 contributed). This also helps build their retirement savings independently.

4. Timing of Income and Expenses

One of the simplest but most effective strategies is timing — bringing forward deductible expenses into the current year, and (where possible) deferring income into the next year.

Bring Forward Deductible Expenses

If you know you will incur a deductible expense in the next few months, consider paying it before 30 June. Examples include:

- Professional registration fees due in July or August — pay them now
- Indemnity insurance renewals — prepay up to 12 months in advance
- Conference registrations for events in the next financial year
- Subscriptions to journals or clinical software
- Equipment purchases for your practice or consulting rooms

Defer Income Where Possible

If you are a contractor or running your own practice and can legitimately defer billing or income recognition until after 30 June, you can push taxable income into the next financial year. This requires care — sham arrangements or artificial deferrals can attract ATO scrutiny. Always ensure any deferral reflects genuine commercial reality.

Instant Asset Write-Off

For small businesses (turnover under \$10 million), the instant asset write-off allows you to immediately deduct the full cost of eligible assets. For 2024–25, confirm the threshold with us — it has changed multiple times in recent years and may have a limit that applies to your situation.

5. Private Practice & Business Structures

Many doctors who have moved into private practice — whether as a sole trader, through a company, or via a trust — have additional planning opportunities (and obligations) at year end.

Trust Distribution Resolutions

If your income flows through a discretionary trust, the trustee must make a formal distribution resolution before 30 June each year. Failure to do so means income may be taxed at the top marginal rate (47%).

This is a hard deadline. If your income goes through a trust and you have not spoken to us about distributions, contact us immediately — this cannot be fixed after 30 June.

Company Tax Planning

If you operate through a company, consider:

- Ensuring any salary/director's fees are actually paid (not just accrued) before 30 June if you want them as a deduction in the current year
- Reviewing any Division 7A loan agreements — minimum repayments must be made before year end
- Reviewing the franking credit account to understand your dividend position

Superannuation for Business Owners

If you have employees (including yourself as an employee of your own company), employer super contributions are only deductible when actually paid. Contributions paid after 30 June but before the quarterly due date will generally be deductible in the NEXT financial year, not this one. If you want the deduction this year — pay it before 30 June.

6. Investment Income & Property

Many doctors invest in property or shares alongside their medical income. Here are the key year-end considerations.

Rental Properties

- Ensure all expenses have been paid and documented — interest, rates, insurance, agent fees, repairs
- Review depreciation schedules — if you do not have one, a quantity surveyor report can be valuable
- Distinguish between repairs (deductible now) and improvements (capitalised and depreciated)
- If your property is negatively geared, losses offset your other income

Capital Gains Tax (CGT)

If you have sold investments during the year (shares, property, etc.), you will have a capital gain or loss. Key points:

- Assets held for more than 12 months attract a 50% CGT discount for individuals and trusts
- Capital losses can only offset capital gains — they cannot reduce other income
- Harvesting losses: if you have unrealised losses in a portfolio, selling before 30 June locks them in and can reduce a current-year gain
- Do not let the tax tail wag the investment dog — CGT planning should complement, not override, sound investment decisions

Division 293 Tax

If your combined income and concessional super contributions exceed \$250,000, you pay an additional 15% tax on super contributions — known as Division 293 tax. This is still beneficial (15% + 15% = 30% effective rate, versus 47% marginal rate), but it is worth being aware of when planning contributions.

7. Five End of Financial Year Tax Tips for Doctors

TIP 1: Maximise Your Superannuation Before 30 June

Check how much you have contributed so far this year (employer contributions + any voluntary amounts). If you have not reached the \$30,000 concessional cap, consider making a personal top-up contribution before 30 June. For a doctor on \$300,000+, each dollar contributed to super instead of taken as income saves up to 32 cents in tax (the gap between 47% and 15%). If you have unused cap from prior years and your super balance is below \$500,000, you may be able to contribute even more using carry-forward rules.

TIP 2: Prepay Deductible Expenses Now

Don't wait until August to renew your AHPRA registration, indemnity insurance, or college memberships. Pay them before 30 June and bring the deduction into this financial year. You can prepay up to 12 months of expenses in advance and claim the full amount this year. This is one of the simplest and most immediately effective strategies available to any doctor, regardless of how their income is structured.

TIP 3: Check Your Trust Distribution Resolution

If any part of your medical income flows through a family or discretionary trust, your trustee must decide — and document in writing — how the income will be distributed before 30 June. Miss this deadline and the ATO taxes the undistributed income at 47%. This is a non-negotiable administrative step that catches many medical professionals off guard. If in doubt, contact us today.

TIP 4: Review Your Motor Vehicle Records

Doctors are frequent drivers — between hospitals, clinics, home visits, and CME events. If you have been using a car for work, make sure your logbook is current. A 12-week logbook completed before 30 June establishes your work-use percentage for the next five years. Without a logbook, you are limited to the cents-per-kilometre method, which caps at 5,000 km. A well-documented logbook for a doctor who drives 20,000+ km per year for work can make a significant difference to your deduction.

TIP 5: Harvest Investment Losses if You Have Capital Gains

If you have realised capital gains this year from property or share sales, review your portfolio for any investments currently sitting at a loss. Selling them before 30 June crystallises those losses, which can offset your gains and reduce your CGT liability. The loss disappears on 1 July — it cannot be carried back. This strategy works best when the decision to sell aligns with your investment strategy, not just tax considerations. Speak to us before acting so we can model the outcome for your situation.

8. Pre-30 June Action Checklist

Use this checklist in the weeks leading up to 30 June:

Action	Done?
Review and maximise concessional super contributions	<input type="checkbox"/>
Lodge Notice of Intent to Claim Super Deduction (if applicable)	<input type="checkbox"/>
Prepay professional registrations, indemnity insurance, memberships	<input type="checkbox"/>
Confirm or complete trust distribution resolution	<input type="checkbox"/>
Review Division 7A loan agreements and make minimum repayments	<input type="checkbox"/>
Pay any employee/director super before 30 June (to claim this year)	<input type="checkbox"/>
Review vehicle logbook — complete if not current	<input type="checkbox"/>
Review portfolio for harvestable capital losses	<input type="checkbox"/>
Ensure all invoices and expenses are paid (not just accrued)	<input type="checkbox"/>
Review home office hours if claiming working from home expenses	<input type="checkbox"/>

Gather receipts and records for all work-related expenses	<input type="checkbox"/>
Book EOFY review with your accountant	<input type="checkbox"/>

9. Record-Keeping Reminders

The ATO can audit your returns for up to 5 years from the date of lodgement (longer in cases of fraud or evasion). Good record-keeping is your best protection.

- Keep receipts for all work-related expenses — digital copies are accepted
- Maintain a logbook if claiming vehicle expenses under the logbook method
- Keep a diary or calendar record of work-related travel
- Retain all super fund statements and contribution notices
- Store trust deeds, company constitutions, and distribution resolutions
- Keep bank statements and loan documents for investment properties

10. How We Can Help

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We work with doctors across Australia on tax planning, business structures, and financial strategy. Book your end of financial year review today — don't leave tax planning to chance.

This guide is general in nature and does not constitute personal tax advice. Please consult a registered tax agent before implementing any strategy. Tax laws and thresholds are subject to change.