



## October 2025 Octopus Accounting & Tax Newsletter



### Reminder of September Quarter Superannuation Guarantee ('SG')

Employers are reminded that employee super contributions for the quarter ending 30 September 2025 must be received by the relevant super funds by Tuesday, 28 October

2025. If the correct amount of SG is not paid by an employer on time, they will be liable to pay the SG charge, which (as noted above) includes a penalty and interest component.



### Correctly dealing with rental property repairs

Taxpayers who have had work done on their rental property should ensure the expense is categorised correctly to avoid errors when completing their tax return.

A deduction for 'repairs and maintenance'

expenses can be claimed for work done to remedy, or prevent defects, damage or deterioration from using the property to earn income. These expenses can be claimed in the year they were incurred.

However, some 'capital' expenditure may not be immediately deductible, such as for 'initial repairs', 'capital works', 'improvements' and depreciating assets.

Initial repairs include fixing any pre-existing damage or deterioration that existed at the time of purchasing the property, even if the damage or deterioration was unknown to the taxpayer at the time of purchase.

Initial repairs are treated as part of the acquisition cost and included in the cost base of the property for CGT purposes, unless they are capital works or depreciating assets.

depreciating assets.

Capital works are structural improvements, alterations and extensions to the property, and can generally be claimed at 2.5% over 40 years.

Capital works deductions can only be claimed after the work has been completed, regardless of when the taxpayer pays the deposit and instalments. Improvements or renovations that are structural are also capital works. Work that goes beyond remedying defects, damage or deterioration that improves the function of the property is regarded as an improvement.

Repairs to an 'entirety' are capital and cannot be claimed as repairs. Repairs to an entirety generally involve the replacement or reconstruction of something separately identifiable as a capital item.

Depreciating assets are treated as follows:

Deductions for 'new' assets must generally be claimed over time according to their effective life.

Second-hand depreciating assets generally cannot be deducted.



### **Tips to help sole trader clients**

The ATO is seeing sole traders make mistakes in the following areas:

- not reporting all income — this includes income earned outside their business (like a 'side hustle'), cash jobs, or

payments in-kind/barter deals;

overclaiming expenses — this includes claiming the portion of an expense related to personal use, or overstating the cost of goods sold and other business expenses;

calculating business losses;

incorrectly claiming and offsetting losses from non-commercial business activities against other income sources;

misreporting personal services income ('PSI') to gain tax benefits;

not registering for GST if they are in the taxi or ride-sourcing industry, or when they reach the GST threshold; and

not keeping accurate and complete records.

If you need assistance with any of the above, please contact our office at 02 9660 2222 or use the below link to book time with Alvin Zhang directly.

<https://outlook.office365.com/book/OctopusAccountingTax@NETORGFT13705307.onmicrosoft.ismsaljsauthenabed=true>



## **ATO warning regarding private use of work vehicles and FBT**

Employers that supply work vehicles to their employees need to check how the work vehicles are used and whether any exemptions apply to determine if they attract fringe benefits tax ('FBT').

FBT generally applies when a work vehicle is made available for private use, even if it is not actually used. Private use includes any travel not directly related to the employee's job.

Exemptions may apply depending on the vehicle's specifications and the nature of the private use.

The most common issues the ATO sees include the following:

- incorrectly treating private use as business use;
- assuming dual cab utes are exempt from FBT — exemptions only apply if the vehicle is eligible for the specific FBT exemption and private use is limited;
- incorrectly classifying vehicles;
- poor record keeping that does not support the claims or the FBT calculations made; and
- not reporting or paying on time.

## **Why Choose Octopus Accounting & Tax**

At Octopus Accounting & Tax, we combine technical expertise, proactive service, and a genuine commitment to helping our clients succeed.

### **Broad and Diverse Client Base**

From individuals and small businesses to SMSFs, trusts, and complex corporate groups, we have advised on virtually every tax and accounting scenario. Whatever your circumstances, you can feel confident that we've handled similar situations before—and delivered results.

### **Specialist Advice and Complex Solutions**

We go far beyond routine compliance. Our team regularly assists with advanced tax planning, structuring strategies, and private rulings, ensuring your affairs are managed efficiently and effectively.



### **Personalised, Consultative Service**

We take the time to walk you through the pros and cons of your options, so you fully understand the implications before making decisions. Whether over the phone, in person, or by email, we tailor our advice to your needs and support

your business every step of the way.

### **Experienced Team You Can Trust**

Your work will be handled by a dedicated team that includes:

Partners (CPA, CA)

Tax Manager (CPA)

Senior Accountants (CPA, CA)

Junior Accountants and Bookkeepers

Administration Support

**All senior staff and above have at least 15 years of practical experience in accounting and taxation.**

### **Commitment to Knowledge and Quality**

We invest heavily in professional development and continuous learning, so you receive advice based on current legislation and best practice. Our team is committed to improving efficiency and raising the quality of our work year after year.

### **Registered and Qualified**

We are fully accredited as a Registered Tax Agent with the Tax Practitioners Board (TPB) and an ASIC Registered Agent, giving you peace of mind that your compliance obligations are in expert hands.

When you choose Octopus Accounting & Tax, you choose a **knowledgeable**, **responsive**, and **forward-thinking** team focused on adding value and making your life easier.

### **Our Team**

<https://octopusaccounting.com.au/our-team>

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Tax agent  
26157328



**Kind regards,**

Alvin Zhang

**CPA, CGMA, ACMA, MPACC (Macquarie Uni), Registered Tax Agent**

***Partner***

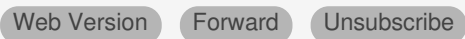
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