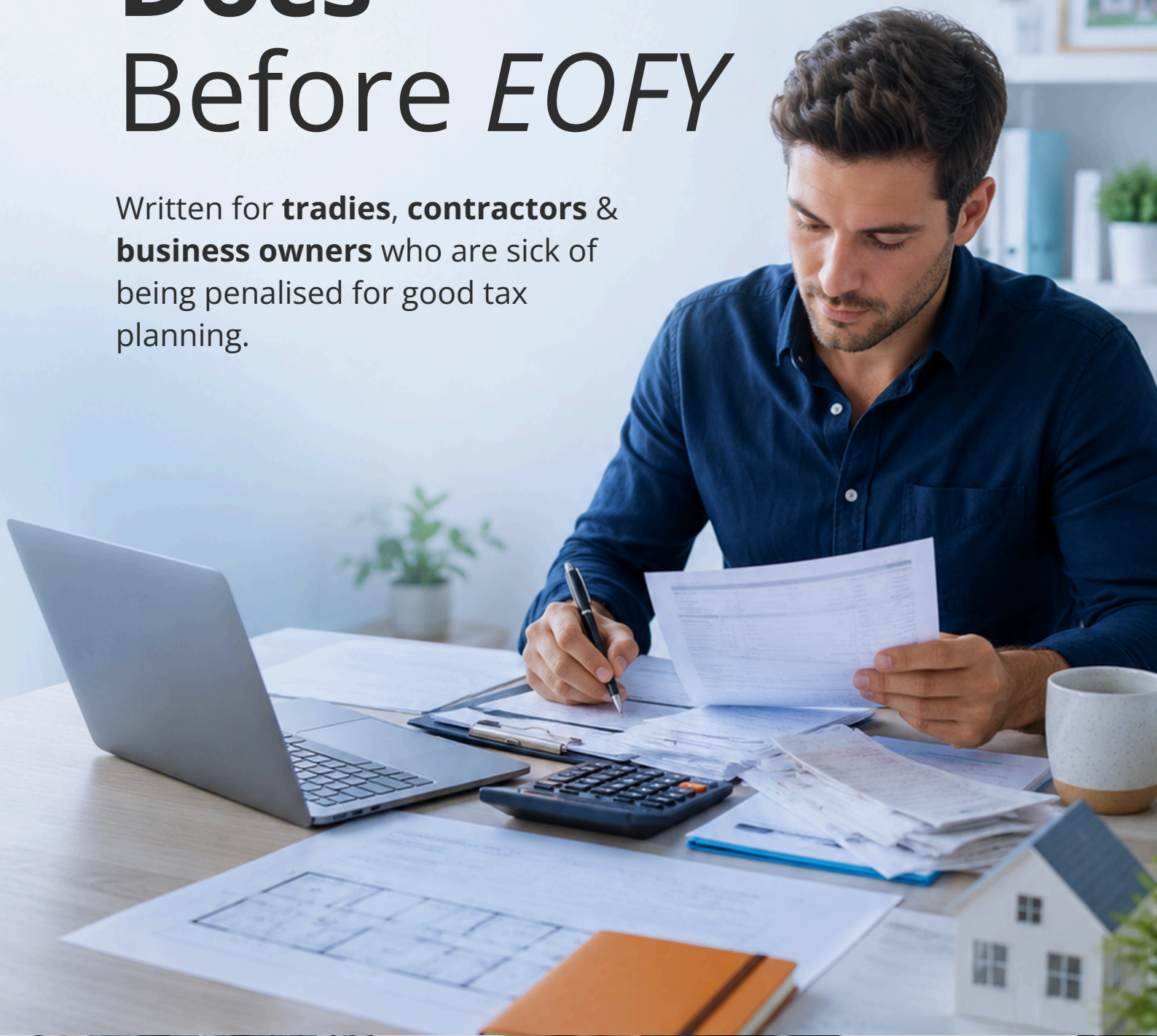
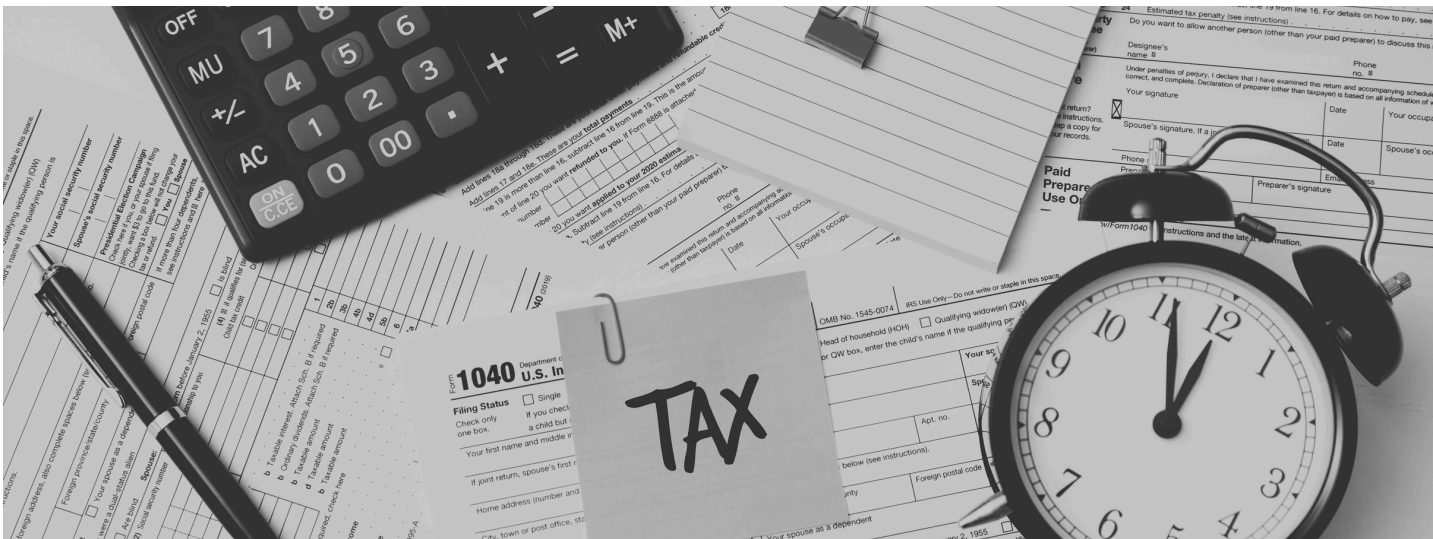


# How To Structure Your Docs Before *EOFY*

Written for **tradies, contractors & business owners** who are sick of being penalised for good tax planning.





# Introduction

Last June, your accountant probably told you to do exactly what you should do for tax: buy the ute, pre-pay expenses, claim everything.

You saved \$15,000 in tax. Well done.

Then you tried to get a home loan. A bank looked at your tax return and said: “You only made \$68,000 last year. You can borrow \$360,000.” You showed them your bank account with \$18,000 a month going in. They didn’t care.

**Here’s the brutal truth:** Standard bank software is designed to assess what you show the ATO after write-offs. Without the right representation, every dollar you deduct to save tax is a dollar the software subtracts from your borrowing capacity.

This guide is designed to explore how different lenders assess self-employed income.

We will look at [alternative ways](#) to view a tax return and how different income documents may create alternative pathways, helping you maintain your tax strategy while working towards securing a home loan.

This isn’t about paying more tax; it’s about understanding which documents and explanations some lenders look for to assess your true earning potential.

# HOW THE RIGHT DOCS IMPROVE YOUR BORROWING POWER

Most people think borrowing power is a fixed number.

It's not. It's more of a presentation strategy.

Standard bank algorithms are rigid; they look at your "bottom line" taxable income and ignore the context of your business growth or industry expertise.

We look for the optimal scenario that fits your specific goals, whether that means using your latest year's performance, adding back one-off expenses, or annualising recent high-growth periods.

## 1 THE "LATEST YEAR" ADVANTAGE (Full-Doc)

**The Problem:** Your business is scaling fast. Your 2024 tax return was modest, but your 2025 return shows a massive jump in profit. Lenders who average the last two years will "punish" your growth by using a lower middle figure.

**The Solution:** We work with lenders, some of them even major banks, who can assess you based solely on your most recent year's financials. Some lenders only require your latest Notice of Assessment (NOA).

**EOFY Action:** If this was your "big year," don't wait until October to lodge. Early lodgment in July allows us to use your highest income figure immediately. We can even work with Draft Tax Returns and an Accountant's Letter to start the process before you officially lodge.

**What to ask your broker:** Which lenders on your panel accept most recent financial year only for self-employed?


## 2 THE ADD-BACK CORRECTION

**The Problem:** Your taxable income is low because your accountant correctly claimed every deduction possible. The bank's computer sees a low number and says, "No."

**The Solution:** We identify "Add-Backs", which are expenses that appear on your tax return but don't actually impact your ability to pay a mortgage.

Some common add-backs include:

- **Instant Asset Write-Off:** Did you spend \$20,000 on a new piece of equipment? The ATO lets you deduct it all at once, but a lender can "add it back" because it's a one-off purchase rather than a daily cost.
- **Depreciation:** This is a non-cash deduction. You didn't actually lose \$10,000 in cash this year; your equipment just "aged" on paper. Lenders usually add 100% of this back to your usable income.
- **Extra Super Contributions:** If you paid yourself more than the mandatory super guarantee, the excess can often be added back.
- **One-Off Expenses:** Did you pay \$5,000 for a one-time legal fee or a website redesign? If it can be demonstrated that the expense was a one-off, some credit policies allow it to be considered an add-back.
- **Interest on Business Debt:** If you're refinancing or paying off a business loan, the interest you paid can often be added back.



**EOFY Action:** Ask your accountant for an itemised list of one-off expenses and setup costs. This breakdown is vital for justifying why your current expenses are lower than those reported on your previous tax return.

### 3 THE 2 x BAS STATEMENT STRATEGY

**The Problem It Solves:** To provide an alternative income verification path for self-employed business owners who cannot wait for their next annual tax return to be formalised.

**How it works:** Rather than reviewing full profit and loss statements, some lenders look at label **G1 ("Total Sales")** on your two most recent quarterly Business Activity Statements (BAS). They then annualise this turnover and apply an internal policy expense ratio to estimate your servicing income.

*It is vital to note that banks use their own internal risk frameworks to calculate this income, which differ fundamentally from the Australian Taxation Office (ATO) Small Business Benchmarks. While the ATO publishes benchmark expense ratios (such as an average of 76% for certain service sectors) to monitor tax compliance, specific alt-doc lenders may use standardised internal expense calculators (often ranging from 50% to 60%) to model loan affordability.*

#### **Borrowing Power Impact (Illustrative Example):**

- **BAS Quarter 3 Gross Sales: \$95,000**
- **BAS Quarter 4 Gross Sales: \$105,000**
- **Total Gross Sales (6 Months): \$200,000**
- **Annualised Projected Turnover: \$400,000**

If a lender applies an internal policy matrix assuming a 60% expense structure for your industry classification, they would assess the qualifying income at 40% of turnover (\$160,000).

#### **THE MEDICO FAST TRACK (Annualised BAS) \***

**The Problem:** You recently transitioned from a high-paying PAYG role (like a Senior Registrar) to a Sole Trader/Contractor model (GP or Consultant). Because you haven't been self-employed for a full financial year, standard banks may decline you for "short self-employment history".

**The Solution:** For qualified professionals with 3+ years of industry experience, we can use a 3-to-6-month BAS annualisation. We take your current turnover, annualise it over 11 months, and apply an industry expense ratio to reflect your true current earning capacity.



**EOFY Action:** Ensure your quarterly BAS is lodged on time, and your income is consistent. If you took an extended leave (e.g., 5 weeks), we need to document that this was discretionary so the bank doesn't "average down" your income.

## 4 THE BANK STATEMENT LOAN

**The Problem It Solves:** Your P&L is complex, but your cash flow is strong and real.

**How it works:** Certain lenders ignore tax returns completely. They add up 12 months of business bank deposits, then apply an expense ratio (e.g., 50%).

**Borrowing Power Impact (Illustrative Example):**

- 12 months deposits: \$480k (\$40k/month average)
- Less 50% = \$240k assessed income
- **Estimated Borrowing power: ~\$1.34M\***

**When to use it:** You're a new business with less than 2 years of trading, you had a complex year on paper due to expansion, or your accountant is aggressive with deductions.

**The 90-day rule:** 3 months before applying, keep your business bank statements clear. Lenders want to see a transparent trading history.

**EOFY Action:** Ensure your business accounts accurately reflect your trading activity. Lenders look for clear, consistent invoiced income to verify your cash flow.

**What to ask your broker:** What's the best rate for bank statement loans right now? Do you use 12 or 24 months, and can we use 6 months if the last 6 were stronger?

# YOUR 90-DAY PRE-EOFY CHECKLIST

## Steps to Consider Ahead of EOFY

### STEP 1: Discuss your document path

Consider speaking with your broker early. You might ask: "If I'm planning to buy in the next 6 months, should we look at a tax return, BAS, accountant letter, or bank statements?" This can help shape your EOFY preparation.

### STEP 2: Review potential borrowing capacity limits

Speak to your broker about how your current liabilities impact you. For example, reducing or cancelling unused credit card limits, closing buy-now-pay-later accounts, or reducing short-term debts can sometimes favourably impact how a lender calculates your borrowing capacity.

### STEP 3: Brief your accountant

Send them this guide. Ask: "Can we structure EOFY to maximise serviceable income, not just minimise tax? What will my add-backs be?"

### STEP 4: Keep your bank statements clear

Minimise unnecessary transfers between personal and business accounts. Ensure all deposits match invoices. Do this for 90 days.

### STEP 5: Lodge BAS on time

Set phone reminders for April 28 and July 28.

## Important Information



**General Advice Warning:** This content is general information only and does not constitute financial, legal, tax, credit, or investment advice. The implications of lending policies are evolving and may change as further information becomes available. Individual circumstances vary, so customers should seek professional advice before making financial decisions.



**\*Borrowing Capacity Estimates:** Borrowing power estimates shown in this guide are illustrative examples only, based on hypothetical scenarios. Actual borrowing power is subject to individual lender credit criteria, prevailing interest rates, APRA assessment buffers, and your complete financial situation, including living expenses and other liabilities. All applications are subject to lender approval.

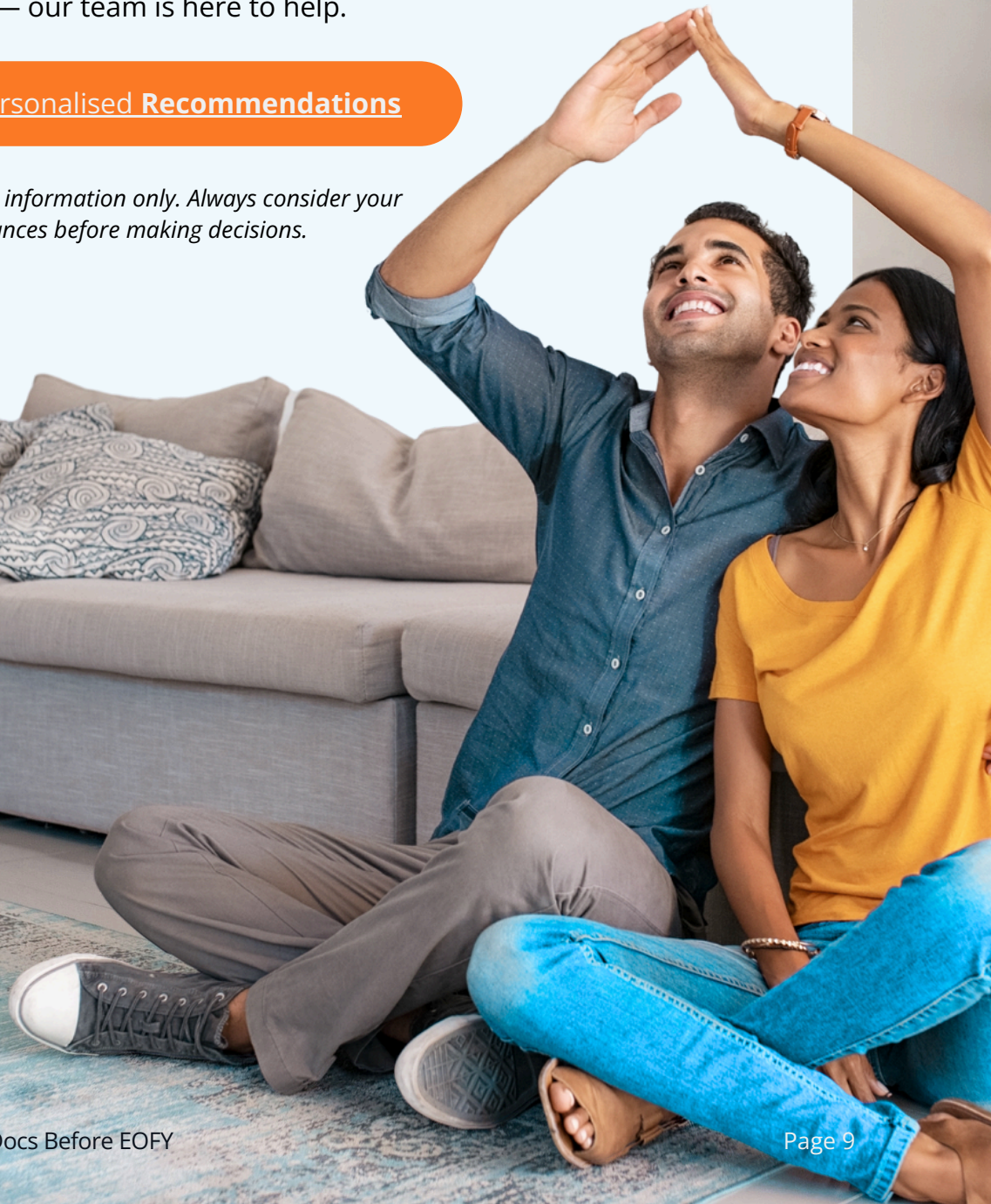
# Ready to take the next step?

**Talk to a lending expert who can assess your situation and map out your best options.**

Every borrower's situation is unique. Income type, credit history, existing loans, and future plans all shape what's possible. If you'd like clearer options — without the jargon — our team is here to help.

[Get Personalised Recommendations](#)

*This is general information only. Always consider your own circumstances before making decisions.*





# About Home Loan Experts

We help Australians navigate complex and straightforward lending scenarios — from first-home buyers to self-employed borrowers, investors, and expats. Our approach combines deep lending knowledge with clear, human guidance.

## Why People Choose Us

- ✓ Experienced advisers
- ✓ Access to a wide range of lenders
- ✓ Support from application to settlement
- ✓ Clear explanations, no jargon


## Award-Winning Expertise You Can Trust





**Top 3 Mortgage Broker - Sydney (2019)**  
**5-star reviews** on Google, Facebook and ProductReview

# Thanks for Reading

We hope this guide has given you clarity and confidence for your next steps. Property decisions can feel complex, but the right support makes all the difference.

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