

Module 1: Taxation System

A Guide for Australian Students Aged 12-17

What is Tax?

Tax is money that the Australian government collects from individuals and businesses to pay for public services like schools, hospitals, roads, and emergency services. When you earn income, you're required to pay tax to the government.

Tax File Number (TFN)

A Tax File Number is a unique 11-digit number issued by the Australian Taxation Office (ATO). You need a TFN to work in Australia and to complete your tax return. You can apply for a TFN online at the ATO website for free.

Tax-Free Threshold

The tax-free threshold is the amount of income you can earn in a financial year without paying income tax. For the 2024-25 financial year, the tax-free threshold is \$18,200. This means if you earn less than \$18,200 in a year, you don't need to pay income tax.

Key Points to Remember

- Always provide your TFN to your employer
- Keep your TFN confidential and secure
- You can earn up to \$18,200 tax-free per financial year
- If you earn over the threshold, you'll pay tax on the amount above it
- Financial year runs from 1 July to 30 June
- You may need to lodge a tax return if you earn over the threshold

Useful Resources

Australian Taxation Office: www.ato.gov.au

Apply for TFN: www.ato.gov.au/individuals-and-families/tax-file-number/apply-for-a-tfn

