

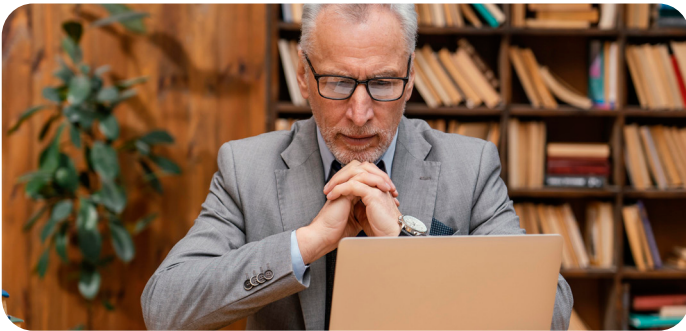
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DJSPIN

Strategies
for managing
your business

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8 Steps To Boost Your Retirement Confidence

Retirement is a significant life milestone that can bring excitement and uncertainty to many individuals approaching the era.

While the thought of enjoying a well-deserved break from work is appealing, concerns about financial security and lifestyle adjustments can cause anxiety.

Improving your confidence about retirement is key to ensuring a smooth transition into this new phase of life. Here's how you can take steps today to boost your retirement confidence.

01 UNDERSTAND YOUR RETIREMENT NEEDS

One of the first steps in building retirement confidence is understanding what you'll need to live comfortably. This includes estimating your future expenses, such as housing, healthcare, travel, and daily living costs. Consider factors like inflation and potential changes in your lifestyle. A clear picture of your retirement needs can help you set realistic financial goals.

02 MAXIMISE YOUR SUPERANNUATION CONTRIBUTIONS

Your superannuation is likely to be

your primary source of income in retirement. Ensuring that your super is growing steadily is crucial for retirement confidence.

- **Contribute Regularly:** Make regular contributions to your super, and consider salary sacrificing to boost your balance. The earlier you start, the more time your money has to grow.
- **Take Advantage of Government Incentives:** Explore incentives like co-contributions or the low-income super tax offset, which can help increase your super balance.

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- **Review Your Super Fund:**

Regularly review your super fund's performance and fees. Consider consolidating multiple super accounts to save on fees and simplify management.

03 DIVERSIFY YOUR INVESTMENTS

Diversification is key to managing risk and ensuring your investments are well-positioned to grow over time. A diversified portfolio can give you confidence that your retirement savings will weather market fluctuations.

- **Spread Your Investments:** Invest across different asset classes, such as stocks, bonds, real estate, and cash. This reduces your exposure to any single investment's poor performance.
- **Adjust Your Strategy as You Age:** As you approach retirement, consider shifting to more conservative investments to protect your savings from market volatility.

04 PLAN FOR HEALTHCARE COSTS

Healthcare is a significant expense in retirement. Having a plan in place can ease concerns and improve your confidence.

- **Health Insurance:** Ensure you have adequate health insurance coverage that meets your needs as you age. Consider the benefits of private health insurance versus relying solely on Medicare.
- **Savings for Medical Expenses:** Set aside a portion of your savings specifically for healthcare costs. Health savings accounts can be a tax-efficient way to save for future medical expenses.

05 CONSIDER YOUR INCOME STREAMS

Relying solely on superannuation may not be enough to meet all your retirement needs. Consider creating multiple income streams to increase your financial security.

- **Investment Income:** Explore investments that provide a steady income, such as dividend-paying stocks or rental properties.
- **Part-Time Work:** Many retirees choose to work part-time to supplement their income. This not only provides additional funds but can also keep you active and engaged.
- **Annuities:** Consider purchasing an annuity that provides guaranteed income for life, helping to ensure you won't outlive your savings.

06 PLAN FOR THE UNEXPECTED

Unexpected events can derail even the best retirement plans. Building a financial buffer can give you the confidence to handle surprises.

- **Emergency Fund:** Maintain an emergency fund that covers at least six months of living expenses. This can help you manage unexpected costs without dipping into your retirement savings.
- **Insurance:** Review your insurance coverage, including life, disability, and long-term care insurance. Adequate coverage can protect your assets and provide peace of mind.

07 STAY INFORMED AND SEEK ADVICE

Staying informed about financial markets, tax laws, and retirement planning strategies is crucial for maintaining retirement confidence.

- **Continuous Learning:** Regularly educate yourself about personal finance and retirement planning. Attend seminars, read books, and follow reputable financial news sources.
- **Seek Professional Advice:** A financial advisor can help you create a personalised retirement plan, adjust your strategy as needed, and provide peace of mind. Regular check-ins with your advisor can ensure you stay on track.

08 VISUALISE YOUR RETIREMENT

Sometimes, simply visualising your retirement can help boost confidence. Picture the lifestyle you want, the activities you'll enjoy, and the peace of mind that comes with financial security.

- **Create a Vision Board:** Use a vision board to map your retirement goals and dreams. This can help you stay motivated and focused on achieving your retirement objectives.
- **Discuss with Loved Ones:** Talk with your partner or family about your retirement plans. Open discussions can align expectations and reinforce confidence in your financial decisions.



Improving retirement confidence is about taking proactive steps to ensure financial security and peace of mind.

Understanding your needs, maximising your super, diversifying your investments, planning for healthcare, and staying informed can help you confidently face retirement. If you need assistance, speak with a trusted adviser.

Remember, it's never too early or too late to start planning for the retirement you deserve.

Protecting Superannuation Benefits from Domestic Violence Perpetrators

There are laws in superannuation about where your super is distributed when you die.

In most cases, if you have a spouse or dependents, they may be able to access it. Alternatively, it can go to your estate, where it will be dealt with through your will.

However, in dire situations, outcomes can occur that you may not wish to happen. A recent case involving a woman's suicide after ongoing domestic violence from her husband has highlighted an issue in the current superannuation legislation.

With only a husband and no dependents, the super fund paid her balance to the husband after her death.



Under the current laws and despite the circumstances that led to the woman's death, the super fund is only unable to pay the balance to the husband **if he committed murder.**

The Peak Superannuation Bodies have submitted to the Government to have this the law changed so a former spouse cannot access the partner's super.

WHAT CAN BE DONE AHEAD OF TIME?



Your superannuation can only go to a spouse, a dependent, or your estate. If you don't want it to go to your spouse (and you do not wish them to know this), you should prepare a Binding Death Benefit Nomination to direct your super fund where to pay your superannuation.

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You should nominate your estate if you only have a spouse and no children. You can prepare a will to state that all your assets go elsewhere, such as to your parents.

You should also take legal advice to ensure that your former spouse will not have some sort of claim against your estate if they haven't adequately been provided for.



NONE OF THE ABOVE STEPS NEED TO BE DISCLOSED TO YOUR SPOUSE.



If you are in a situation where financial violence has been enacted upon you or know someone who is in a similar situation, we encourage you to seek help where you are able. We may be able to point you in the right direction - why not ask us for a confidential chat and see how we can help?

Red Flags For The First Time Home Buyer



You've saved the deposit, and you're ready to sign on the dotted line - but is there anything you might have overlooked while purchasing your first home?

While it is an exciting and daunting milestone for a first-time buyer, it is also a complex process that requires prudent consideration. Have any issues been missed, big or small? Have you conducted due diligence to avoid costly mistakes?

Watch out for these nine red flags to prevent your dream home from becoming a nightmare.

01

STRUCTURAL ISSUES

One of the most critical aspects of any property is its structural integrity. Hidden structural problems can lead to expensive repairs and reduce the value of your investment.



Red Flag: Cracks in walls, ceilings, or foundations, sloping floors, and sticking doors or windows are signs of potential structural issues.

What You Can Do: Hire a qualified building inspector to thoroughly inspect before purchasing. They can identify any structural concerns and give you an idea of the potential costs of fixing them.

02

UNUSUALLY LOW PRICE

A property listed at a price significantly lower than comparable homes in the area might seem like a great deal, but it could be a sign that something is wrong.



Red Flag: A price that seems too good to be true.



What You Can Do: Research the local market to understand typical property values in the area. Investigate why the property is priced lower – it could be due to location issues, hidden damages, or legal complications.

03

LOCATION CONCERNS

Location is one of the most essential factors in property value and your long-term satisfaction with your home. If your property is in a less-than-ideal location, it can be difficult to sell in the future and may not appreciate.



Red Flag: Proximity to noisy areas (like airports, train tracks, or highways), poor neighbourhood reputation, or lack of essential amenities (schools, public transport, shops).

What You Can Do: Spend time in the area at different times of day and talk to locals to get a sense of the neighbourhood. Research future developments that might impact property values positively or negatively.

04

LEGAL COMPLICATIONS

Legal issues with a property can be costly and time-consuming to resolve, and they might even prevent you from purchasing the property altogether.



Red Flag: Unclear title, outstanding liens, boundary disputes, or restrictive covenants.



What You Can Do: Have a conveyancer or solicitor review the property's title and legal documentation to ensure everything runs smoothly. Ensure all necessary permits and approvals are in place, especially for renovations or extensions.

05

POOR QUALITY RENOVATIONS

While updated properties can be appealing, poorly executed renovations can lead to problems down the road, including costly repairs and safety hazards.



Red Flag: Visible signs of shoddy workmanship, mismatched materials, or DIY renovations that the council hasn't approved.



What You Can Do: Check the quality of any renovations and ask for documentation showing that all work was done by licensed professionals and approved by the necessary authorities.

06

FLOOD ZONES AND ENVIRONMENTAL RISKS

Buying a property in a flood-prone area or near other environmental hazards can increase insurance costs and cause significant damage.



Red Flag: Location in a known flood zone, near bushfire-prone areas, or close to industrial sites.

What You Can Do: Check local government websites for flood maps and other environmental risk information. Consider the long-term implications of climate change on the area—factor in insurance costs and potential damage risks when budgeting for your home.

07

HIGH STRATA FEES OR ONGOING COSTS

High strata fees can be a significant ongoing expense if you buy a unit or apartment. Similarly, homes with high maintenance costs can strain your budget.



Red Flag: Unusually high strata fees or maintenance costs, especially if the property is in an older building.

What You Can Do: Ask for a copy of the strata report or building financials to understand the fees and how they are spent. Consider the age of the property and the likelihood of future maintenance costs.

08

LOW RENTAL YIELD

If you're considering renting out the property in the future, a low rental yield could impact your return on investment.



Red Flag: A rental yield significantly lower than other properties in the area.

What You Can Do: Research the rental market in the area to understand typical rental prices. Calculate the rental yield and compare it to other potential investment properties.

09

LIMITED RESALE POTENTIAL

Even if you plan to live in the property for a long time, its resale potential must be considered.



Red Flag: Unique or unusual property features that may not appeal to future buyers.

What You Can Do: Think about the long-term appeal of the property. Features that are highly personal or specific to your tastes may not appeal to others, which could make it harder to sell in the future. Be prepared to outlay additional costs to rectify potential issues.

Buying your first home is a significant commitment, so it's essential to approach the process with caution and due diligence.

By being aware of these red flags and taking the necessary steps to address them, you can avoid common pitfalls and make a purchase that will bring you joy and security for years to come. _____



Can An SMSF Invest In Collectibles?

A review of superannuation was conducted in 2010. From this review, a recommendation arose: ban self-managed superannuation Funds (SMSFs) from investing in collectibles or personal-use assets.

The Arts community was quite vocal in its opposition to this proposal, citing SMSFs as a significant contributor to the Australian art investor pool.

Thus, instead of outright banning the investments, the government introduced strict rules dictating how funds could be invested in them.

WHAT ARE COLLECTIBLES & PERSONAL USE ASSETS?



The legislation provides a specific definition of collectibles and personal use assets. These include:

- artwork (within the meaning of the Income Tax Assessment Act 1997);
- jewellery;
- antiques;
- artefacts;
- coins, medallions or bank notes;
- postage stamps or first-day covers;
- rare folios, manuscripts or books;
- memorabilia;
- wine or spirits;
- motor vehicles;
- recreational boats;
- memberships of sporting or social clubs.

It is important to note that items such as gold bullion or precious stones are not included in the definition. For example, if you hold loose diamonds, they are not a collectible. However, they are deemed a collectible if mounted in a ring or earrings.

THE RULES ON INVESTING



If you wish to invest in any of the above assets, you must follow a rigorous set of rules. These are as follows:

1. A related party of the fund cannot use the item. You can't wear the jewellery, hang the painting in your house or drive the car to the mechanic.
2. The item cannot be stored at your private residence (but it can be kept at your business, provided the business does not use it)
3. The item must be insured in the name of the Fund Trustees within seven days of acquiring it. It can't be insured, for example, by a gallery. It must be in the fund's name.
4. You must make written decisions about where to store the item (bearing in mind the rule that it can't be stored at home).
5. If you sell it to a related party, it needs a formal valuation by a suitably qualified valuer.

While the rules are stringent and rule out many investments, there may still be a path that you can follow with your SMSF. Why not speak with your licensed adviser about how you could potentially proceed?

Choosing Your Super Fund: Key Considerations to Take on Board

It wouldn't be a stretch to say that choosing the right super fund may be one of the most important decisions you'll need to make.

Your super fund plays a significant role in your retirement, so choosing one that aligns with your financial goals and needs is essential.

Whether you are at the start of your working life, mid-career, or looking to switch, here are some key considerations to consider when choosing your super fund.

1. INVESTMENT OPTIONS

Your super fund's investment options will determine how your money is invested and, ultimately, how much your super grows over time.

Consider whether the fund offers a variety of investment options that suit your risk tolerance and financial goals.

Some funds offer a range of options, from conservative to high-growth, allowing you to tailor your investments based on your preferences.

If you are unsure, a balanced or diversified option that spreads your investments across different asset classes, such as shares, property, and fixed interest, can be an appropriate risk level.

2. FEES & CHARGES

Super funds charge fees for managing your money, which can significantly impact your retirement savings over time.

Compare the fees charged by different super funds, including administration fees, investment management fees, and insurance premiums. Even small differences in fees can add up to large amounts over the long term.

Choose a fund with competitive fees that offer good value for the services and performance provided. Be cautious of funds with high fees, especially if their investment returns do not justify the costs.

3. PERFORMANCE

The performance of your super fund over time is crucial, as it directly impacts the amount you will have available in retirement.

Review the fund's historical performance, but remember that past performance does not guarantee future results. Look for consistent returns over at least five to ten years.

Compare the performance of similar investment options across different funds. A well-performing fund with a proven track record can significantly boost your retirement savings.

4. INSURANCE OPTIONS

Most super funds offer insurance cover for death, total and permanent disability (TPD), and income protection. These insurances can be beneficial, but they also come with additional costs.

Assess the insurance options the fund provides and whether they meet your needs. Consider the level of cover, the premiums charged, and any exclusions or limitations.

While insurance through super can be more affordable than standalone policies, it's essential to ensure that the coverage is adequate for your circumstances. Also, be mindful that high insurance premiums can erode your retirement savings.

5. FUND TYPE

There are different types of super funds, each with its benefits and drawbacks.

- **Industry Funds:** Typically not-for-profit, these funds often have lower fees and may offer good investment returns. They are designed to benefit members rather than shareholders.
- **Retail Funds:** Usually run by banks or investment companies, retail funds may offer a wider range of investment options but can have higher fees.
- **Self-Managed Super Funds (SMSFs):** These funds are managed by yourself and up to five other members/trustees. While they offer more control and flexibility, they also require significant time, knowledge, and compliance responsibilities.

Choose the type of fund that best suits your level of engagement, expertise, and financial goals.

If you prefer a hands-off approach, an industry or retail fund might be more suitable than an SMSF.

6. ETHICAL CONSIDERATIONS

Many super funds now offer ethical or sustainable investment options, allowing you to invest in line with your values. (cont. p8)

If ethical investing is important to you, check whether the fund offers socially responsible or sustainable investment options. Review the fund's approach to environmental, social, and governance (ESG) factors.

Ethical investment options can still offer competitive returns, so don't assume you'll have to sacrifice performance for your principles.

7. ACCESSIBILITY AND SERVICE

The level of customer service and the ease of managing your super are also important factors to consider.

Consider how easy it is to access your account, make changes, and get help when needed. Some funds offer online portals and apps, making tracking your super and

managing your investments easier.

Check reviews and ratings for customer service to ensure the fund is responsive and supports you.

Choosing a super fund is a critical decision that can have a lasting impact on your financial future.

By carefully considering these key factors—investment options, fees, performance, insurance, fund type, ethical considerations, and accessibility—you can select a super fund that aligns with your needs and helps secure a comfortable retirement.



Take the time to research your options, and don't hesitate to seek professional advice if needed.

How Can You Improve Equity In Your Home?

Equity is a powerful financial asset that can play a significant role in building long-term wealth.

In the simplest terms, equity is the portion of your home that you truly own - calculated as the difference between your home's market value and the remaining balance on your mortgage.

Understanding and strategically managing equity can unlock financial opportunities and provide stability, making homeownership a vital tool in wealth building.

UNDERSTANDING HOME EQUITY

Home equity is more than just a number; it represents your stake in your property.

As you make regular mortgage payments, you slowly increase your equity by reducing your debt. Additionally, your equity grows even further if your home's market value appreciates over time.

Improvements and renovations can also boost your home's value, adding to your equity. For example, upgrading your kitchen, remodelling bathrooms, or enhancing curb appeal through landscaping often yields high returns.

HOW CAN EQUITY BE BUILT FASTER?

- **Regular Mortgage Payments:** Consistently paying your mortgage is the most straightforward way to build equity. Each payment reduces your loan balance, increasing the amount of the home you own outright.
- **Making Extra Payments:** You can accelerate equity growth by making additional payments toward your mortgage

principal. Even small extra payments can significantly reduce the interest you pay over the life of the loan, helping you build equity faster.

- **Refinancing to a Shorter Term:** Refinancing your mortgage to a shorter term can also speed up equity growth. While this may increase your monthly payments, it reduces the overall interest paid and allows you to own more of your home sooner.
- **Home Improvements:** Strategic renovations can significantly increase your home's market value and, by extension, your equity. High-ROI projects like kitchen remodels, bathroom upgrades or even well-designed landscaping can add substantial value to your home, giving you more equity to leverage.

Building equity is a gradual process. Whether planning for future investments, retirement, or simply looking to secure your future, your home's equity can provide the foundation for long-term stability and wealth.

Being proactive and informed about growing and managing your equity ensures that your homeownership journey contributes positively to your overall financial health. Speak with your trusted advisor for more information on this subject, tailored to your circumstances.

