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CHRISTMAS 2023

Action.

Go even further

The people that invest in themselves and take action make progress and get results.

Knowledge.

Know more. Do more.

We believe it all starts with having the right information when it's time to make key decisions.

Wealth.

Informed financial Insights.

Articles to remind you of some of the current and emerging opportunities that you may be able to take.

Strategies for Enjoying Your Golden Years

Did You Know?

Scam Alert!

Time Is Money

Red Tape for New Clients

Superannuation Guarantee in the Cross Hairs

Due dates from January to June 2024

Get a clear idea of your profit and tax position before EOFY 2024

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Welcome to our Christmas edition of the AKW newsletter



We hope you enjoy this issue, which includes select AKW Insights. For further reading on our website, simply scan the QR code to take you there.

Season's greetings! As we revel in the magic of the holidays, we extend heartfelt thanks for your continued trust and partnership. In this Christmas newsletter, we're thrilled to share valuable financial insights and year-end tips.

For any clarification or questions, our Chartered Accountants & Wealth Advisers are here to assist you in getting financially organised. Happy reading!

Strategies for Enjoying Your Golden Years

Embarking on a successful retirement requires more than just financial planning; it involves a holistic approach that encompasses physical well-being, wise financial choices, and emotional resilience. In this article, we'll explore essential strategies for enjoying a fulfilling retirement, touching on aspects such as self-investment, financial management, and emotional well-being.

Invest in Yourself:

- **Establish a Healthy Lifestyle:** Prioritise your well-being by adopting a nutritious diet and incorporating regular exercise into your routine. A healthy body contributes significantly to a satisfying retirement.
- **Stay Active and Engaged:** Keep boredom at bay by engaging in hobbies, spending time with grandchildren, and pursuing meaningful activities. An active lifestyle not only enhances physical health but also fosters a sense of purpose and fulfillment.

Invest Wisely:

- **Be Mindful of Investment Practices:** Acknowledge that consistently beating the market is a challenge even for full-time investment professionals. Instead, focus on long-term strategies, focusing on the importance of low investment costs and broad diversification.
- **Avoid Constant Monitoring:** Resist the urge to check your investments regularly. The market's fluctuations can be unnerving, but maintaining a long-term perspective allows your investments to weather short-term volatility.

Manage Your Emotions:

- **Filter Financial Media:** Steer clear of financial media that often sensationalises news for its own agenda. Instead, rely on reputable sources and financial advisors for accurate and unbiased information.
- **Maintain Emotional Resilience:** Financial stress is common, but worrying excessively about finances can detract from the joy of retirement. Cultivate emotional resilience by focusing on what you can control and seeking professional advice when needed.

With a little bit of help, everyone can embrace the opportunities that retirement brings and savour the rewards of a life well-lived.

Did You Know?

Seniors Health Card

For self-funded retirees, the Income Threshold for the Seniors Health Care Card is now \$152,640 for a couple and \$95,400 for a single person.

Age Pension

For a couple to be eligible for at least some Age Pension from CentreLink, the assets test Threshold excluding your home is increasing to \$1,003,000.

Estate Tax

Superannuation death benefits paid to certain dependants may result in a death benefits tax.

Comfortable Retirement

According to the AFSA Retirement Standard it is estimated that for a couple to have a comfortable retirement they will need to spend \$71,723 per annum.

Aged Care

Putting a loved one in Aged Care can be a complex and frustrating experience both emotionally and financially. Certain financial strategies can be considered to obtain better outcomes.

Cost of Living Assistance

Eligible households may be able to apply for Energy rebates of \$500. These eligible households include Self-funded Retirees that hold a Seniors Health Card.

Need help? If you think that you may be impacted by any of these issues, you can talk with our Wealth team who can assist in helping you navigate these complex issues.



Scam Alert!

In a recent report from the University of NSW Business School, it was revealed that Australians fell victim to scams amounting to a staggering \$3 billion in the past year, with \$1.5 billion attributed to investment scams alone. To safeguard against the rising threat of investment scams, the UNSW Business School provides valuable recommendations:

Stay Informed:

- Educate yourself on common scam tactics, emerging fraud schemes, and evolving technologies employed by scammers.
- Stay abreast of the latest developments in the scam landscape to enhance your ability to recognize and avoid potential threats.

Maintain Scepticism:

- Approach unexpected or unsolicited offers with caution, especially those that seem too good to be true.
- Question the legitimacy of claims or promises and exercise caution when encountering unsolicited communication.
- Avoid clicking on suspicious links, even if they seemingly originate from a reputable source.

Scrutinize Emails:

- Exercise vigilance when dealing with emails, especially those from unknown senders or those requesting personal or financial information.
- Look out for red flags such as spelling errors, suspicious links, and email addresses that do not align with the claimed source.

Guard Personal Information:

- Exercise caution when sharing personal information online or over the phone.
- Provide sensitive details only to trusted and verified sources.
- Enable multi-factor authentication for accounts that offer this feature and regularly change passwords for enhanced security.
- Verify the legitimacy of websites before entering login details, considering the use of longer passphrases for added security.
- Maintain distinct passwords for different logins, especially for online banking, and store them securely.

Exercise Caution with Financial Decisions:

- Conduct thorough research before making any financial decisions, seeking advice from trusted professionals.
- Verify the legitimacy of investment opportunities and be wary of unsolicited requests for personal information.
- Never disclose sensitive information, such as bank account details, passwords, or OTPs, over email or phone.
- Recognize that legitimate financial institutions communicate through secure portals and do not solicit personal information through insecure channels.

By adopting these precautions, individuals can significantly reduce their vulnerability to investment scams and protect themselves from financial exploitation. Stay informed, remain vigilant, and exercise caution to navigate the ever-evolving landscape of online threats.

Time Is Money

Compounding is one of the most powerful forces in the world. Just ask Albert Einstein, who's said to have called it the "eighth wonder." The seemingly small decisions we make every day gain power over time. Because when it comes to investing, compounding means more than little amounts just adding up. The potential exponential growth provided by compound returns proves that time is literally money.

Let's say two people decide to make a one-time investment of \$10,000 with an average annualised return of 9%. One is 30 years old, and the other is 40. When they reach age 75, the investor who started at 30 will have \$483,000, while the one who started at 40 will have \$204,000. Those extra 10 years invested in the market turn out to be worth more than \$200,000, even though the initial investment was the same. And keep in mind that the extra return only comes if you stick to your plan and stay invested in the market.

“

Don't settle for the status quo when you can do just a little bit better—because a little bit becomes a lot over time.

”

Now let's factor in the importance of how you choose to invest your money. Different strategies have different objectives. By taking on more risk, or reducing costs, just a 1% increase in returns makes an enormous difference. We just looked at compound returns resulting from a 9% annualized return. What about investing the same amount of money for the same amount of time, but at a rate of 10%? Instead of ending up with \$483,000, the investor who started at 30 ends up with \$729,000. So make investment decisions very carefully. A little bit becomes a lot over time.

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TAX TIPS

Red Tape for New Clients

AKW has seen an unprecedented number of new clients engage us during the first half of the 2024 financial year, and we are extremely excited to be working closely with them and their businesses. There has been, however, the introduction of more red tape when engaging accountants, something some of our most recent clients will be aware of. The additional work requires the business to link a “key individual’s” MyGov with the business, and then appoint AKW as tax agent through the ATO business portal. While this is relatively straight forward for businesses that already have this connection established, it can be quite onerous for businesses that do not. Generally, we try and take on as much of the administration and compliance work for our clients as is required, unfortunately however, this is not something that we can do on client’s behalf, although we will always be happy to work through this with you either over the phone, email or in person.

For existing clients, if you do not already have your myGov account linked to the ATO, please let us know and we can assist in arranging this.

Due dates from January to June 2024

Below is a schedule of due dates for obligation to the ATO from January to June 2024. Income tax due dates have not been included as there are several dates during the year, depending on the size of the business, type of entity, tax result and lodgement history.

OBLIGATION	LODGING YOURSELF	LODGING THROUGH AKW (IF DIFFERENT)
December 2023 Monthly IAS	21/01/2024	21/02/2024
December 2023 Quarter Superannuation Guarantee	28/01/2024	
January 2024 Monthly IAS	21/02/2024	
December 2023 Quarter Business Activity Statement	28/02/2024	28/02/2024
February 2024 Monthly IAS	21/03/2024	
March 2024 Monthly IAS	21/04/2024	
March 2024 Quarter Superannuation Guarantee	28/04/2024	
March 2024 Quarter Business Activity Statement	28/04/2024	25/05/2024
April 2024 Monthly IAS	21/05/2024	
2024 Fringe Benefits Tax Return	21/05/2024	25/06/2024
May 2024 Monthly IAS	21/06/2024	
June 2024 Monthly IAS	21/07/2024	
June 2024 Quarter Superannuation Guarantee	28/07/2024	25/08/2024
June 2024 Quarter Business Activity Statement	28/07/2024	
2023 Taxable Payments Annual Report (TPAR)	28/08/2024	

Superannuation Guarantee in the Cross Hairs

The ATO released their corporate plan for 2023–24, and it highlights 8 key priorities, with superannuation guarantee (SG) compliance being one of them.

Reporting and payment of SG entitlements has become a key focus as the ATO continues to expand its data matching program and unpaid SG remains a concern.

For the remainder of 2023–24, the ATO will continue to monitor whether employers pay correct and timely SG entitlements and penalise the ones that fail to do so.

For small business it is critical that cash flow is monitored to ensure that all SG is paid on time, and that employers are aware of the due dates for payment. One area that can catch out employers is that the due date is not the due date for payment, but the date for the funds to land in the employee’s super fund. This can often take several days as the funds need to go through a ‘clearing house’ and needs to be considered when making payments.

The SG due dates for the remainder of the financial year can be found in this newsletter and if you require assistance with cash flow or maintaining compliance, please contact your AKW advisor.



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