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QUARTERLY INSIGHT

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Spring Update

Spring has officially sprung, bringing with it a sense of rejuvenation and anticipation. As the sun graces us more frequently, and the collective excitement for our chosen footy finals code builds, we find ourselves on the cusp of a season filled with promise.

In this edition of our newsletter, we invite you to embrace the spirit of renewal and regrowth with us. As we dust off the cobwebs and open our doors and windows for that long-awaited spring cleaning, we encourage you to apply the same rejuvenation to your financial well-being. Our featured article, "Spring Cleaning Your Finances," offers practical steps to help you put your best foot forward for the final stretch of the year.

Spring is a season of new beginnings, with renewed life sprouting in the fields, and for some, in our homes. Parenthood brings boundless joy, but it also comes with its financial challenges. If you've recently expanded your family, our article "Managing the Rising Cost of Raising Kids", will offer a guide to maximizing your entitlements as a new parent. We also shed light on overlooked legal matters and strategies to safeguard your Superannuation while you embark on the journey of bringing new life into this world.

Speaking of protecting your loved ones, adding to your family underscores the importance of reviewing your life insurance. In our article "Life Insurance: a Financial Safety Net" we will provide a broad exploration of insurance types commonly chosen by prudent individuals to ensure that, in the face of the unthinkable, financial devastation is not added to the burden of your family. Additionally, we delve into tax-effective structures to help you make the most of the premiums you pay.

As we approach the year's end, we extend a gentle reminder to those who have been hoarding annual leave. In a post-pandemic world, deferring holidays has become a common practice, but we're here to remind you of the value of taking time for yourself. Our article, "Annual Leave: Here's the Evidence for Why You Should Use Yours – and How to Make the Most of It," explores the benefits of utilizing accrued leave for your ongoing productivity and mental well-being.

Lastly, to add a touch of warmth and delight to your spring days, we have a delectable recipe that promises to soothe your senses during the cooler moments of this beautiful season.

Thank you for joining us on this journey of renewal and growth. We hope this edition of our newsletter inspires you to make the most of spring's boundless potential.





Spring Cleaning Your Finances

Ever thought about taking a break from your routine, a “Financial Spring Cleaning Day” to dust off the cobwebs and spend some time tightening up your personal finances?



While it might not be the most exciting day you will ever spend — unless the thought of saving a significant amount of money excites you, it will be worth your while.

It should be a weekday so you have scope to call banks, credit card issuers, health insurers, and other service providers who are easier to contact during office hours. And you will also need all your tools — financial records, current tax return, mortgage, credit card and bank statements — close at hand. Internet access is also important as there are many things you can do online.

Hitting the target

So, what are your objectives? Well, there are two sides to this coin. The first objective is to put more \$\$ in your pocket by saving a little more and spending a little less of your income, without making your life a penny-pinching misery in the process. The second is to discover some cheaper ways, if they exist, to pay for some of life's essentials.

Start at the beginning by reviewing your monthly budget — or constructing one, if necessary — so you can pinpoint the big expenses before trying to pare them back. Take your power bills, for example. Some power companies will not only reward you with a discount for combining your gas and electricity, they will also allow you to pay them with a pre-set monthly direct debit, avoiding the shock of that big quarterly hit and smoothing your cash flow.

Monthly payments or saving targets can be an excellent budgeting tactic. In fact, you can even create your own monthly debit system for major expenses such as school fees, annual holidays and Christmas by estimating the cost and transferring monthly instalments to a separate savings account. Your bank can probably make the transfers for you automatically.

If you can manage it painlessly by cutting one or two unnecessary expenses, one good outcome of a budget review would be to save an extra 1 per cent of your salary — just \$1 out of every \$100 you earn — for a major objective like an overseas trip, new carpets or as a reserve fund. The best budgets can be wrecked by unexpected emergencies, whether it is a burst water heater or an unexpected mortgage rise.

Smart moves

Once you have your budget review completed and have set up new direct debits and/or opened one or two new dedicated savings accounts, you should still have a few hours of your Financial Health Day left to look for some significant savings.

Credit cards

Credit cards are a black hole in many budgets. Could you save by switching to a cheaper card? Are you paying off your card within the interest-free period? What about rewards programs — if you are paying for them, are you using them? Some supermarket reward programs now offer a “double reward” so it may pay to investigate your options. You can compare cards online at several sites such as www.creditcard.com. And if you do decide to change card companies, you might find one that will give you an interest rate holiday for the first 3–6 months as a reward for switching.

Health Insurance

Your private health insurance plan is also worth reviewing because your family circumstances might have changed since you took out the plan, or the market may have newer, more flexible options. Choice health insurance experts have found that you can save up to \$932, by comparing and switching funds.ⁱ (See www.choice.com.au or www.privatehealth.gov.au)

Home loan

And finally, when was the last time you reviewed your home loan and your current interest rate? As a general rule of thumb, it is worth reviewing your home loan once a year. Regularly reviewing your mortgage is a good way to see if it's still working for your budget and your lifestyle, or if it might be time to assess your options.

All done? Congratulations on sprucing up your finances!

ⁱ <https://www.choice.com.au/money/insurance/health/articles/health-insurance-hacks-that-will-save-you-money>



Managing the Rising Costs of Raising Kids

It is a special feeling to welcome a new child or grandchild into the world and watch them grow. Sharing their joy as they reach new milestones is priceless.

Of course, there is a real cost – raising a child is expensive, particularly now as the cost-of-living spirals higher. Estimates vary widely from the few studies completed but it is fair to say that over a child's lifetime families can spend hundreds of thousands of dollars on living, medical and schooling expenses for their children.

So, having a financial strategy in place to cover the costs and taking advantage of government support where available can make a big difference.

Taking care of the basics

The first step is to update your Will to nominate guardians for your children in case the worst happens. You may also consider life insurance and income protection to ensure your family is protected.

Next, a savings and investment plan will help you navigate the years ahead with more certainty. Adding small amounts of money regularly to an account for education and other expenses can help to ease financial stress. The MoneySmart savings goals calculator shows what can be achieved. You could consider fee-free high interest savings accounts or your mortgage offset account as a way to save cash for short-term needs.

Meanwhile, some longer-term investments such as shares, exchange traded funds or listed investment companies may provide financial support for later expenses. They can offer the possibility of capital growth and diversification for a relatively low cost.

Super splitting

Keeping an eye on the future also means thinking about your superannuation. If one partner is staying at home to care for the children, the other partner can split their super contributions with them. You will need to check if your fund allows it, whether they charge a fee and complete some paperwork.

There are also some tax considerations, so it is important to make sure you understand the implications for you.

Government support

Take the time to discover the government payments and supports available for families. For example, the Paid Parental Leave Scheme provides support for mothers for up to three months before the birth.

A recent change to Parental Leave Pay and Dad and Partner Pay sees these two payments combine into one payment that is available to both parents for up to two years after the child's birth.

You will need to meet income and work tests and claim within certain timelines.

Even if you are not eligible for parental leave pay, you may still be able to apply for both the Newborn Upfront Payment and the Newborn Supplement.

Then there is the Family Tax Benefit, a two-part payment to help with the cost of raising children. To receive the benefit, you must have a dependent child or a full-time secondary student aged 16 to 19 who is not receiving any other payment or benefit such as a youth allowance, care for the child at least 35 per cent of the time and meet an income test.

Grandparent gifting

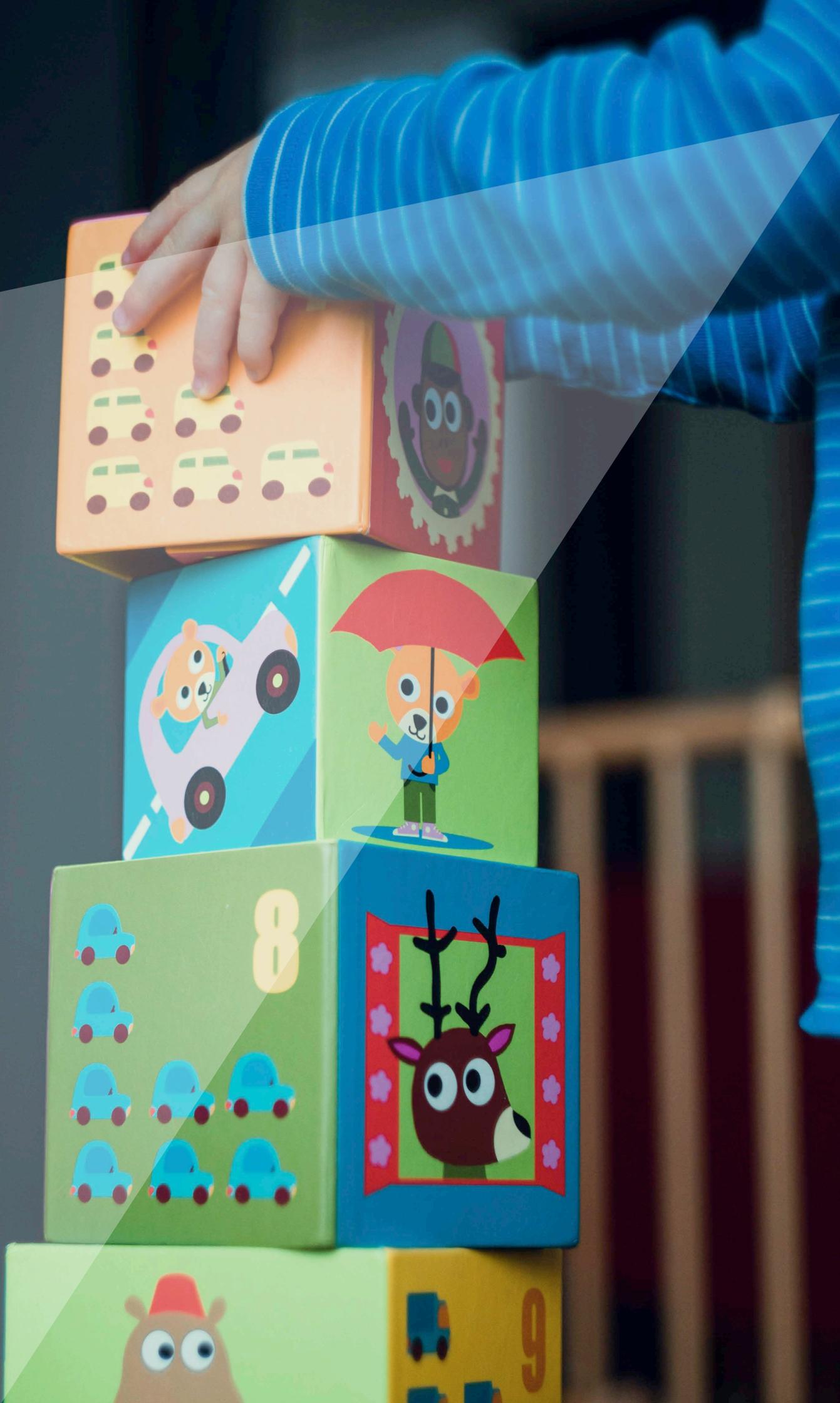
Grandparents who are keen to help out their families financially can gift money to their children or grandchildren. Be aware that Centrelink has gifting rules for those receiving an age pension. You can give \$10,000 in one year or up to \$30,000 over five years without your pension being affected. If you give more, the amount will be treated as though you had retained it in your own accounts.

However, gifts and inheritances are generally not considered as income for tax purposes. The ATO says neither the donor nor the receiver will pay tax on a gift if:

- it is a transfer of money or property.
- the transfer is made voluntarily.
- the donor does not expect anything in return.
- the donor does not materially benefit.

Tax may apply in some cases where property or shares are gifted.

The joys of raising a little one are many, and having a plan to manage the financial implications can let you enjoy the journey. Get in touch with us to create a plan to secure your family's future.





Life Insurance: a Financial Safety Net

While we all hope for good health, the reality is that some of us may struggle at times with sickness or injury. And that may affect your family's financial wellbeing.



Different types of life insurance or personal insurance can provide an income when you're unable to earn, or a lump sum to protect your loved ones if the worst happens.

Insurance products such as life insurance and total and permanent disability (TPD) cover are available through your superannuation fund or directly through an insurance company. There are also other products not usually offered by super funds such as accidental death and injury insurance, and critical illness or trauma cover.

Almost 10 million Australians have at least one type of insurance (life, TPD or income protection) provided through superannuation.ⁱ

Check what your fund offers

Super funds usually provide three types of personal insurance. These include:

- **Life insurance or death cover** provides a lump sum payment to your beneficiaries in the event of your death.
- **Total and Permanent Disability (TPD)** pays a lump sum if you become totally and permanently disabled because of illness or injury and it prevents you from working.
- **Income Protection** pays a regular income for an agreed period if you are unable to work because of illness or injury.

While these insurance products can provide valuable protection, it's essential to be aware of circumstances where coverage might not apply. For example, super funds will cancel insurance on inactive super accounts that haven't received contributions for at least 16 months.ⁱⁱ Some funds may also cancel insurance if your balance is too low, usually under \$6000. Automatic insurance coverage will not be provided if you're a new super fund member aged under 25.

Should you insure through super?

Using your super fund to buy personal insurance has advantages and disadvantages so it's a good idea to review how they might affect you.

On the plus side

- **Cost-effective:** Insurance through super can be more cost-effective because the premiums are deducted from your super balance, reducing the impact on your day-to-day cash flow. Automatic inclusion Many super funds automatically provide insurance cover without requiring medical checks or extensive paperwork.
- **Tax benefits:** Some contributions made to your super for insurance purposes may be tax-deductible, providing potential tax benefits.

Think about possible downsides

- **Limited flexibility:** Super funds can only offer a standard set of insurance options, which may not fully align with your needs.
- **Reduced retirement savings:** Paying insurance premiums from your super balance means less money invested for your retirement, potentially impacting your final payout.
- **Coverage gaps:** Depending solely on your super fund's insurance might leave you with coverage gaps, as the default options may not cover all your unique circumstances.
- **Possible tax issues:** Be aware that some lump sum payments may be taxed at the highest marginal rate if the beneficiary isn't your dependent.

Don't forget the life admin

Whether you decide to buy insurance through your super fund or not, it is important to regularly review your insurance coverage to make sure they reflect your current life stage and to make sure you are not paying unnecessary premiums if you have more than one super fund.

Insurance within super can be a valuable safety net, providing crucial financial support to you and your loved ones. Understanding the types of coverage offered, the pros and cons of insuring inside super and the need for regular reviews are essential steps to make the most of this benefit. If you would like to discuss your insurance options, give us a call.

ⁱ The future of insurance through superannuation, Deloitte and ASFA, 2022 1051554 Insurance through superannuation.indd

ⁱⁱ Treasury Laws Amendment (Protecting Your Superannuation Package) Act 2019, No. 16, 2019 Treasury Laws Amendment (Protecting Your Superannuation Package) Act 2019 (legislation.gov.au)



Annual Leave: Here's the Evidence for Why You Should Use Yours – and How to Make the Most of It.

We are currently at the peak of the holiday season, but instead of drinking cocktails on the beach, hiking the mountains and enjoying what life has to offer, a surprising number of people are reluctant to take time out from work.

It is important to take time out from work to fully live our lives, but there are several issues that can discourage us from taking annual leave. Some people have doubts about whether taking time out will allow for full psychological detachment from work. The fear that thoughts of work will invade our minds encourages many people to just keep working.

A common trend among those who are obsessively passionate about their work, these feelings can become overbearing, controlling their thoughts, and making them unable to temporarily forget about work.

Another reason people do not take time off is because they do not expect to feel relaxed while on holidays.

This may be due to their circumstances or choices made about how to spend time off. Family holidays may generate a lot of conflict, sometimes becoming even more stressful than work. It's unsurprising then that staying on at work instead of taking time out may be tempting for many.

Alternatively, some people fear the financial consequences of annual leave. Holidays are expensive, especially for large families, leading many to forgo their leave entitlement to save money.

These are just some examples of why people may avoid holidays, but regardless of the reason, taking time off – especially from demanding jobs – has immediate



benefits in terms of decreasing stress and burnout. These benefits are only temporary, with stress often climbing again shortly after returning to work. As such, regular respites throughout the year can help achieve the accumulative benefits of annual leave on health.

The good news is that taking time out for a week to two weeks is enough to recover and experience a boost of positive emotions. This will begin to decline as the time off comes to an end, but still offers the break needed to recharge your batteries.

Annual leave is also beneficial for employers, as it improves employee productivity by up to 40%, reduces the likelihood of sick leave by 28%, and boosts creativity and mental health. Taking time out is also essential for parents, as their children gain immense benefits from spending more time together.

Getting the best from annual leave

While these figures may have you reaching for your phone to search for package deals, the spike in travel disruption this summer may put you off from searching for the farthest-flung destination. But you don't need expensive foreign holidays to enjoy annual leave. Here are three vacation activities that can improve wellbeing, whether you are away or on a staycation:

1. Practice relaxation

Relaxation can involve simple breathing practice that can help reduce anxiety. An alternative that can have similar benefits is to use meditation techniques such as mindfulness.

2. Spend time in nature

When on annual leave, try to spend as much time as you can in nature because it is associated an improvement in both emotional and psychological health. It doesn't matter what you do when enjoying nature; you can be active, for example walking, running, gardening, or simply sitting on a park bench or spending time sky-gazing.

3. Engage your brain

Take time off as an opportunity to develop your interests. If you love reading, plan to read a few books over the holiday. Research shows these activities support our minds and our moods, regardless of age. There are additional benefits if you help your children enjoy books over the summer.

Alternatively, if you enjoy listening to music, take this time to dust off your CDs, Vinyl, or rearrange your digital music library. Share music, play an instrument, write lyrics, dance or even just listen to as much music as you can to improve your physical and mental health.

These are just a few ideas.

What's most important is to do something that engages your mind, helps you forget about your job and allows for a respite before you return to work feeling happier and more energised than before.







Creamy Vegan One-Pot Pasta

Ingredients

For the vegan rosé sauce

- Cashews – ideally soaked to get the best creamy texture
- Vegetable broth
- Tomato paste

Produce

- 3 large handfuls Baby spinach
- 1 Basil, fresh leaves
- 5 cloves Garlic
- 1/2 tsp Oregano
- 1 Yellow onion, small

Pasta & grains

- 1 lb Penne

Canned goods

- 3 tbsp Tomato paste
- 4 cup Vegetable broth

Baking & spices

- 1 10-12 oz jar roasted red peppers, roasted
- 1/4 cup Nutritional yeast
- 1/4 tsp Red pepper flakes
- 1/2 tsp Sea salt

Oils & vinegars

- 1 tbsp Olive oil

Nuts & seeds

- 3/4 cup Cashews

Method

First, prep the sauce. I like to have this ready to go before I start the pasta, otherwise I might be scrambling to blend it while I'm simmering and stirring the pasta. Using a high speed blender, blend 1 cup of vegetable broth, the soaked cashews (that have been drained and rinsed), and the tomato paste, until smooth and creamy. Set aside.

Next, heat olive oil over medium heat in a dutch oven or large sauce pan. Sauté the diced onion until softened, then add the minced garlic and continue to sauté for about a minute. You want to smell that beautiful garlic aroma!

Next, add 3 cups of broth along with the penne, sliced roasted red peppers, nutritional yeast, sea salt, oregano and red pepper flakes. Give it a stir until all the ingredients are distributed evenly. Cover and bring to a strong simmer (you want to make sure it's really going so the noodles will cook!), then turn the heat down to medium-low.

Simmer covered for about 15 minutes, stirring occasionally to prevent the noodles from sticking to the pan. You may need to simmer up to 5 more minutes, depending on how al dente you like your pasta.

Once the noodles are just about cooked to your desired texture, uncover and add the cream sauce. Be sure that every noodle gets some delicious creaminess!

Then add the spinach and stir it in. It might be a bit awkward to stir before it wilts, but you've got this. Cover to let the spinach wilt, warm the cream sauce and finish cooking the noodles. Stir in a bit more broth if you find the sauce is getting too dry for your liking.

Be sure to taste it before serving and season with additional salt. We only added 1/2 a teaspoon given that some broth varieties are quite salty. You will likely need more salt if you used a low-sodium variety. Serve with julienned fresh basil, if desired.



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