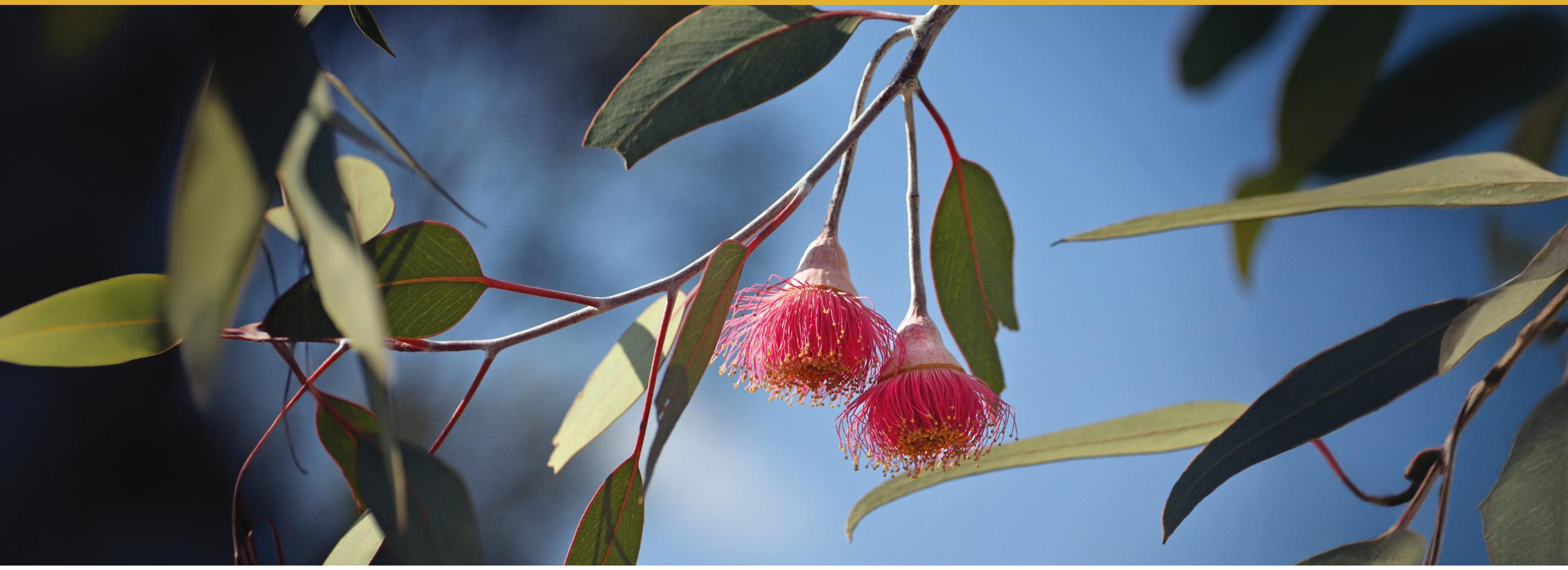

Spring 2025

Spring is here, bringing longer days and an opportunity to venture outdoors and enjoy the warmer months ahead.

A higher-than-expected jump in inflation figures may prompt the RBA keep interest rates on hold at this month's meeting. Headline CPI climbed to 2.8%, up from 1.9%. The trimmed mean, the RBA's preferred gauge of underlying inflation, also rose to 2.7% in July from 2.1% in June.

Markets responded cautiously, though the S&P/ASX 200 still edged higher for the month and notching another all-time high. The rally was driven by mining and banking stocks.

The unemployment dipped slightly to 4.2% in July and business confidence is upbeat. The number of Australian businesses rose by 2.5% over the past financial year to more than 2.7 million. Total wages and salaries increased 5.9 per cent year-on-year. The momentum appears to be lifting consumer sentiment with the Westpac-Melbourne Institute Index posting a solid gain 5.7% in August, a 3.5 year high.

As Aussie dollar finished the month at US65c and continues to be shaped by global factors.

In the US, the S&P 500 hit records highs, led by tech giants, as investors weighed tariff impacts and speculated on future rate cuts.

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Strategies for an unexpected retirement

The best time to start planning for retirement is yesterday. But the second-best time? Today.

About two-thirds of Australians retire earlier than they anticipated because of unexpected events such as job loss or redundancy, they need to care for a family member, have a sudden illness or injury, problems at work or a partner's decision to retire.[i]

But, whether you're in your 50s, 60s, or even beyond, it's never too late to take meaningful steps toward a more secure and fulfilling retirement.

The good news is that with the right guidance and a few smart moves, you can still build a retirement plan that reflects your values, supports your lifestyle and gives you peace of mind.

Where to begin

Before you make any changes, it's important to understand your current financial position. This includes:

- your superannuation balance
- other savings or investments
- debts such as your mortgage, credit cards and personal loans
- expected retirement income sources including the Age Pension, rental income and part-time work

Boost your super

Even if you're starting later, there are ways to accelerate your super growth using:

- **Salary sacrifice** Contributing pre-tax income into super can reduce your taxable income while boosting your retirement savings
- **Personal contributions** You may be eligible for a tax deduction or government co-contribution depending on your income
- **Catch-up contributions** You may be eligible to add to your super but be aware of the caps on contributions[ii]

These strategies can be especially powerful in your 50s and 60s, when your income may be higher and retirement is in the near future.

It's also a good idea to regularly consider your super investment options and review your risk tolerance and time horizon.

Deal with debt

If possible, getting your debt under control before you retire is a useful strategy.

You could consider using your superannuation or other savings, or downsize your home to pay off a mortgage or other loans. But first, it's essential to carefully check the tax impact, the effect on your super and whether any potential government benefits will be affected.

Reassess your lifestyle goals

Retirement isn't just about money, it's about how and where you want to live, how much travel you'd like to do and if you'd continue to work part-time.

Clarifying your lifestyle goals helps shape your financial strategy. It also ensures your retirement plan reflects your values, not just your bank balance.

How much will I really need?

Aim to create a retirement budget. Estimate your future expenses including housing, food, travel and healthcare and compare them to your expected income. This helps identify any shortfalls and guides your savings strategy.

You will also need to consider the amount of time you might spend in retirement. This will depend on when you retire (planned or unexpected) and how long you live. This is called longevity risk. Given life expectancy is unpredictable, there is a possibility that your retirement savings may not last throughout retirement.

Understand your entitlements

Many Australians are eligible for government support in retirement, including:

- **Age Pension** Based on income and assets, available from age 67 (for those born after 1957)
- **Concession cards** For discounts on healthcare, transport and utilities
- **Rent assistance** If you're renting privately and receive the Age Pension

Even if you don't qualify now, you may be able to restructure your finances to maximise future entitlements.

Review regularly and remain flexible

Retirement planning isn't a one-time event. Life changes and so should your strategy. Regular reviews help you:

- Adjust for market movements or legislative changes
- Update your goals and spending patterns
- Ensure your estate planning is current

Flexibility is key. Whether you retire gradually, take a sabbatical, or pivot to a new venture, your plan should evolve with you.

Next steps

Retirement planning is about taking the next step rather than chasing perfection. Whether you're starting late or simply refining your strategy, every step you take now helps shape a more secure and meaningful future.

And remember that retirement isn't an end point. It's a new beginning even if you retire earlier than you anticipated. With the right plan in place, you can step into this next chapter with clarity, confidence and purpose.

We'd be happy to help you review your current retirement plan and identify any gaps in retirement goals and create a strategy should you need to retire earlier than expected.

i https://www.abs.gov.au/statistics/labour/employment-and-unemployment/retirement-and-retirement-intentions-australia/latest-release

ii https://www.ato.gov.au/individuals-and-families/super-for-individuals-and-families/super/growing-and-keeping-track-of-your-super/caps-limits-and-tax-on-super-contributions/understanding-concessional-and-non-concessional-contributions

Legacy or liability?

Planning a smooth wealth transfer

Australians inherited an estimated $150 billion in 2024, an increase of more than 70 per cent in a decade, according to a JBWere report.[i]

It's a number that's predicted to grow more rapidly over the coming 20 years to $5.4 trillion, the report finds.

Managing this flow of wealth to family groups, often complicated by divorce and remarriage as well as children from previous marriages, can lead to disputes and legal challenges if not carefully handled.

Legal firms agree that the number of challenges to wills has been increasing each year with adult children most likely to take action. One firm estimates more than 60 per cent of claims are brought by adult children and around 20 per cent by partners or ex-partners.[ii]

Yet, many still do not have wills.

In the latest research available, the Australian Law Reform Commission found that almost 40 per cent of adult Australians did not have a will although, this figure declined to 7 per cent for those older over 70.[iii]

If you die intestate in Australia, your estate is distributed according to state and territory laws, and the laws vary slightly between each state and territory. Generally, the estate goes to the next of kin starting with the surviving spouse or partner followed by children, parents, siblings and then other relatives. If no relatives can be found, the estate may go to the government.

So, if it is important to you to have a say in how your assets will be distributed, a will is a must.

Meanwhile, for those in a new partnership but have children from a previous marriage, a binding financial agreement can be a useful way of protecting your partner's interests if something happens to you.

It's a legally enforceable contract that details how assets, liabilities and responsibilities will be divided if you separate, divorce or one partner dies.

Designing your transfer of wealth

Distributing your wealth now or later can depend on the family dynamics, any businesses you may own and whether you have a passion for creating a legacy – donating to a charity, for example. Alternatively, you may prefer to spend it on yourself and your partner to enjoy your later years.

The housing crisis and the emergence of the 'bank of mum and dad' has increasingly seen wealth transfer happening while the benefactor is still alive. You may wish to help your children or grandchildren to get a foot onto the property ladder, contribute to their superannuation, or pay their school fees or student loans. But it's crucial to obtain professional advice to understand any consequences of giving lump sums, particularly those receiving government entitlements, as they could potentially be impacted.

Another alternative is testamentary trust. This is commonly used to provide financial security for beneficiaries, such as family members or loved ones. It is used to manage and distribute assets according to specific instructions laid out in the will.

It can be specifically written and incorporated in your will and takes effect when you pass away. It is administered by a trustee, who you would also name in your will. The trustee would take legal control over the trust assets and is responsible for the management and distribution of the assets to the beneficiaries, based on the instructions in the trust.

This strategy could also potentially minimise any tax liabilities. However, there are a lot of things you need to consider when deciding whether or not a testamentary trust is right for you.

Some might prefer to establish or contribute to a charitable foundation as a way of building a family legacy. It's a move that allows you to have some say over how your hard-earned wealth is distributed and could involve family members to allow them to build knowledge and experience in philanthropy.

Most importantly, creating a family legacy relies primarily on the strength of family relationships. Any disputes will more than likely be magnified after a death and some relationships may be strained, so it may be helpful to discuss your intentions with family members and any other beneficiaries. Be clear about your plans and don't ignore negative reactions.

Getting your affairs in order

After all, wealth transfer isn't just about finances – it's about securing family harmony and ensuring your legacy is preserved according to your wishes. Taking the time to plan, communicate openly with loved ones, and seek professional guidance can make all the difference.

i https://www.jbwere.com.au/campaigns/bequest-report

ii https://solomonhollettlawyers.com.au/news/the-rise-and-rise-of-inheritance-claims/

iii https://www.alrc.gov.au/publication/elder-abuse-a-national-legal-response-alrc-report-131/8-wills/




FROM bad reputation TO *dream destination*


When you start researching for a trip overseas it's easy to be swayed by what can be a lingering bad reputation of a region or country. The landscape of travel is constantly shifting and what may once have been a no-go zone can now be a dream destination – and vice versa.

Some of today's most compelling places to visit were once dismissed as too dangerous, politically unstable, or simply unattractive. Thanks to urban renewal, political shifts, and the sheer resilience of local communities, these destinations have reinvented themselves and now welcome travellers with open arms.

Here are a few places that were once avoided but now deserve a spot on your bucket list.

Albania: Europe's little secret

Let's start with Albania. The once-hermit kingdom of Europe, it spent most of the 20th century shut off from the world under a dictatorship. Today? It's a Mediterranean dream in disguise.

While tourists crowd into Italy and Greece, Albania's beaches remain blissfully peaceful. The mountains are rugged, the food is incredible (think olive oil, cheese and stunning wines), and the prices? Almost suspiciously low. It's a reminder that the best destinations are often the ones that haven't been given the glossy treatment – yet.

And by going now, you're not just ahead of the trend, you're helping shape the nation's tourism story from the ground up.

Rwanda: The quiet recovery

Few countries have flipped their narrative like Rwanda has. Once known for the horrors of the 1994 genocide, it is now one of Africa's safest, cleanest, and most forward-thinking destinations. Kigali, the capital, is plastic-free, progressive, and is pulsing with creativity.

But the real magic lies beyond the city. Rwanda's forests are home to some of the world's last remaining mountain gorillas and tracking them in Volcanoes National Park is one of the most profound wildlife experiences on the planet. It's not cheap, but every permit supports conservation and local communities so you can feel good about travelling with purpose.

There's a quiet pride here and a sense of renewal. And for travellers, it offers that rare thing: a trip that's humbling, hopeful, and unforgettable all at once.

Sri Lanka: The comeback island

Hop over to Sri Lanka, and you'll find another country rising from the ashes of conflict and challenges. After decades of civil war, the 2004 tsunami, and an economic tailspin that led to widespread protests in 2022, the island nation has really started to shine as a holiday destination.

From leopard-spotting in Yala National Park to sipping world-class tea in the hill country, the island is a compact slice of paradise. The trains rattle their way through lush green hills, elephants roam wild, and its beaches are postcard perfect. Sri Lanka isn't hiding its past; it's simply writing a better future. It's travel that feels good – and does good.

Vietnam: From conflict to cool

Vietnam is a nation that's spun a difficult history into a compelling narrative. Once the setting for a war that defined an era, it's now the backdrop for stunning cuisine and jaw-dropping natural beauty.

But what links Vietnam to places like Sri Lanka is its authenticity. The chaos of Hanoi's Old Quarter, the sleepy magic of Hoi An, the emerald waters of Ha Long Bay all strike a chord when you remember just how far the country has come.

And yet, prices remain low and you can still find yourself the only tourist at a countryside café sipping egg coffee like a local.

The final boarding call

So, what do these places all have in common? They're not perfect. And that's exactly why they're perfect. Destinations that have overcome hardship – be it conflict, natural disasters, or political upheaval – often offer something more rewarding than your average sun-and-souvenir spot.

These are places where your visit helps fuel recovery, where locals genuinely want to welcome you back, and where the scars of the past give way to a kind of hospitality you won't find in more polished places.

So, skip the predictable and go where the stories are. Because sometimes, the best places to visit are the ones that were once off the map entirely.

Note: It's crucial to stay informed about the current safety situation in any destination, even those that have undergone positive transformations.