



ADAM HUNTER PTY LTD  
CERTIFIED PRACTISING ACCOUNTANTS

## DECEMBER 2014 NEWSLETTER

### In This Issue

- ◆ Happy Holidays
- ◆ Audit Insurance
- ◆ Client Portal
- ◆ No More Paper Activity Statements
- ◆ SuperStream

### Important Dates

- ◆ Tax Returns Due:  
15 May 2015
- ◆ Monthly BAS/IAS Due:  
21 December 2014
- ◆ Oct - Dec 14 BAS Due:  
28 February 2015

### Contact Us

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### HAPPY HOLIDAYS

The Directors and staff at Adam Hunter would like to wish our clients a safe and Merry Christmas and a Happy New Year.

**Our office will be closed from:**  
12:00pm Wednesday 24th December 2014  
and will reopen  
8:30am Monday 5th January 2015



### AUDIT INSURANCE

Adam Hunter Pty Ltd provides an Audit Shield Service; an insurance to cover the professional fees incurred in preparing documentation and responses to the ATO, or other relevant Government Agencies conducting an audit, review or investigation. The ATO and other Government Agencies are getting tougher and often conduct audits on Business Activity Statements and Tax Returns. This small annual fee, which is 100% tax deductible, will cover any accounting fees incurred in what is normally a very costly process.

Should you have any queries in respect to this offer please contact Alicia France at our office.

### CLIENT PORTAL

We are pleased to announce that we have launched a new Client Portal that will make receiving and accessing correspondence quicker and easier. Clients will be able to access their own secure Client Portal via our website, all that is needed for access is an internet device such as an iPad, smart phone, tablet, computer or laptop. Email notification is delivered when new documents are uploaded to the Client Portal which gives clients the ability to immediately access to documents such as tax returns, financial statements, activity statements and ATO assessment notices. If you would like further information about the Client Portal please contact our office.

### NO MORE PAPER ACTIVITY STATEMENTS

From 01 July 2014, if you lodge your activity statement via our office the ATO will stop sending paper activity statements in the mail. The ATO understand that paper activity statement are sometimes used as a reminder to prepare, lodge and pay, however there are a number of reminders that can be used to help you manage without the paper activity statement, such as:

- ◆ Create calendar events
- ◆ Set reminders on your phone
- ◆ Visit the ATO website and generate a table of due dates



For more information on activity statement changes [click here](#)

Did you know you can access your activity statement online via our secure client portal? If you would like more information please contact our office.

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## SUPER STREAM

As part of the government's Super Reform package, the ATO have implemented the SuperStream data and payment standard. SuperStream will provide a consistent, reliable electronic method of transacting linked data and payments for superannuation. The goal is to improve the efficiency of the superannuation system, to improve the timeliness of processing of rollovers and contributions, and reduce the number of lost accounts and unclaimed monies. Under SuperStream, employers must report super contributions on behalf of their employees by submitting data and payment details electronically in accordance with the SuperStream standard. All superannuation funds, including SMSFs, must receive contribution details electronically in accordance with this standard.

### Employers



SuperStream: What you need to know  
[Click Here](#)



Employer checklist:  
A step-by-step guide to preparing for SuperStream  
[Click Here](#)



Image Source:  
[www.ato.gov.au/Super/SuperStream/In-detail/News](http://www.ato.gov.au/Super/SuperStream/In-detail/News)

#### **What do I need to do to meet my SuperStream obligations?**

A change of this scale takes time, careful planning and preparation to establish new systems and processes. Now is the time to prepare by investigating the options available to help you meet your SuperStream obligations. It is highly recommended you speak to your payroll software provider, clearing house, accountant or bookkeeper to help you find the right solution. Your default fund can also help. Finalise your plan for implementing SuperStream, and set a target date for processing your first employer contributions using SuperStream.

- ◆ From 1 July 2014, large to medium employers (20 employees or more) were required to begin making contributions using SuperStream. Flexibility is provided on start dates up until 30 June 2015\*
- ◆ From 1 July 2015, small employers (19 employees or fewer) will be required to begin making contributions using SuperStream. Flexibility will be provided on start dates up until 30 June 2016\*

*\*Flexibility on start dates will only be provided to employers making genuine efforts to comply with SuperStream*

#### **How will SuperStream Benefit Employers?**

##### **SuperStream will simplify how contributions are made, saving time and reducing costs**

- ◆ The opportunity to use a single channel when dealing with super funds, regardless of how many funds your employees contribute to
- ◆ Less time spent dealing with employee data issues and fund queries
- ◆ Greater automation and reduced cost of processing contributions and payments
- ◆ More timely flow of information and money in meeting your super obligations

#### **Self-Managed Super Funds**

##### **What do I need to do to meet my SuperStream obligations?**

If you receive Superannuation Guarantee Contributions from a third-party employer, your SMSF needs to be registered with an Electronic Service Provider. Our firm receives a discounted rate on SMSF registration through Australia Post. Please contact Alicia France so your fund can be registered and start receiving SuperStream data.

You will then need to provide your employer with the following information\*:

- ◆ Super Fund Name
- ◆ Super Fund ABN
- ◆ The BGL Electronic Service Address (ESA): AUSPOSTSMSF
- ◆ The Super Fund's Bank BSB and Account Number

*\*This is only required if you are receiving superannuation guarantee contributions from a third-party employer.*

### Making Sense of Asset Classes

#### In This Issue

◆ A Simple Guide to Asset Classes

- ⇒ Cash
- ⇒ Fixed Interest (FI)
- ⇒ Property
- ⇒ Equities

◆ Meet Our Adviser

◆ Happy Holidays

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#### A SIMPLE GUIDE TO ASSET CLASSES

This guide provides you with simple and easy-to-read information about how you can use asset classes to make money. Please share this with your friends, family and anyone else interested. If you would like more information, why not book a one on one with our Certified Financial Planner.

#### Asset Classes

An asset class is a category of investments that exhibit similar characteristics in the market place. The investments within a single asset class are expected to:

- ◆ have similar risks and returns
- ◆ be subject to the same laws and regulations
- ◆ Perform in a similar manner in particular market conditions.

Each different asset class is expected to:

- ◆ Reflect different risk and return characteristics
- ◆ Perform differently in different market conditions.

Understanding what to expect from each asset class helps you make appropriate investment decisions based on your varying needs and timeframes.

There are four main types of asset classes, each categorised into either defensive or growth. We will now explain the highlights and characteristics of each asset class.

#### 1) Cash

Cash includes bank deposits, term deposits, savings and cheque accounts and cash management trusts. It is used for investors who have a short term outlook, a low tolerance to risk, or if market volatility is high. Cash provides a stable and low risk income, usually equally in the form of regular interest payments.

As a consequence cash has no recommended minimum timeframe although term deposits may lock investors in for a certain period. The long term 30 year average return for cash is 7.8%, however in today's economic environment you can expect a return between 0% for transaction accounts to 4.3% for a reasonable term deposit.

#### 2) Fixed Interest (FI)

Fixed Interest includes government bonds, corporate bonds, mortgages and hybrid securities. FI investments can be more volatile than cash, but are still relatively stable.

It generally operates in the same way as a loan and income return is usually in the form of regular interest payments for an agreed period of time.

Due to interest rate market expectation, the capital value of a fixed interest investment can go up or down and because of this reason the general minimum suggested time frame is between 1 – 3 years. The long term 30 year average return for Australian FI is 9.7% but in the current economic environment you can expect a return of between 4.5% and 8% depending on the issuer of the financial product.



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### 3) Property

Property includes direct investments in residential, industrial and commercial property and can also include indirect investment in listed property vehicles such as REITS.

Property has a higher risk than fixed interest but less risk than equities. This is due to the fact that property is less volatile than shares. On the other hand, property often results in committing a larger sum of money while the time frames of buying and selling are usually longer than shares and entry and exit costs are significantly higher.

Property is a growth asset, meaning it is expected to appreciate in value over time. It also provides income in the form of rent.

As property is less liquid than other asset classes resulting in a minimum recommended timeframe of 7+ years. Listed property in Australia has returned on average over the last 30 years of 9.2%

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### 4) Equities

Equities include Australian equities and International equities and can be listed or unlisted. Australian listed equities include companies in all kind of industries and to gain exposure you can either purchase them on the Australian Stock Exchange or commence a Managed Fund. Equities are the most liquid of the growth assets and as such they can also be the most volatile of all asset classes as local and international news impacts on the share prices immediately. Trading through the ASX stock exchange you can liquidate your shares with a press of a button and have the money in your bank account within 3 days.

Finally, equities generally appreciate in value and most but not all equities pay some sort of dividends which may include a tax credit. The long term average performance of Australian Equities over the last 30 years is 11.7% while US shares returned 11.2% and International shares returned 9.5%.

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### Conclusion: Using Asset Classes to your advantage

Now we have explained some of the characterises of the 4 major asset classes, the single most important factor to consider is if a certain asset class is appropriate in the time frame.

Mick, our Certified Financial Planner explains that understanding your lifestyle goals helps set time frames for your financial goals, and once we know those we are able to evaluate and match those with the most appropriate asset class or mix of asset classes.

For example, Super is more often than not a long term investment as clients are not able to access their savings until they're older, and even then most clients benefit from keeping investments in super to take advantage of the reduced tax rates of 15% or even less.

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### MEET OUR ADVISER

Mick has been a financial planner for over 15 years and is a Certified Financial Planner professional, which is the highest professional designation in the industry. He is a Master of Tax, an Australian Taxation Agent, has a Bachelor in business economics and carries the Specialist SMSF Adviser designation. For more information or to speak to Mick for your financial planning needs call 99 500 349 or visit: [www.ifswa.com.au](http://www.ifswa.com.au)



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### WANT TO KNOW MORE?

Financial  
Planning

Investment  
Management

Superannuation  
SMSF

What Makes us  
Unique

If you're interested in learning more about these topics, click the image to visit our website.

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### HAPPY HOLIDAYS

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