



Welcome to our quarterly magazine – in this edition:

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- Professional advice and customised portfolio solutions
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- Wedding budget bliss: how to afford your dream wedding
- Change your lifestyle, change your health

Welcome to the first edition of inTouch for 2018, our quarterly publication to keep you up-to-date with what's happening in the financial services industry, sharing commentary around areas of advice you may wish to discuss with your adviser.

This quarter we look at what you need to know if you are thinking of starting a business or planning for a wedding, taking charge of your health through small changes to your lifestyle and the buzz on Bitcoin. These issues may impact you or someone you know, so I welcome you to share this publication with them.

With over 60,000 clients we believe all Australian's are better off with sound financial advice and look forward to helping you on your financial journey.

Want to know more? Take a look at our website and contact your local RI adviser.

Peter Ornsby
RI Advice Group, CEO

Start your own business and thrive

There are many things to consider when starting a business, but if you are organised and not shy about asking for help, things will fall into place.

Starting a new business is exciting but there's a lot to think about and organise.

Before you even begin, consider how prepared you are to make difficult decisions, work long hours, face financial constraints, lose sleep and confront failure.

Talk to others

If none of these scare you, and you feel you have the drive and ambition to make a success of your business idea, then get started by talking with others who have done what you wish to do.

The best information often comes from people with experience, plus they can help you set up a business network and even act as a mentor.

Be under no illusions, this is a complex process with many moving parts, but if you set up a logical checklist of processes and things to do, you will make your new life a lot easier.

The Department of Industry, Innovation and Science offers a lot of help through its business.gov.au website, including a start your own business preliminary checklist.

Necessary items

Some recommendations when creating your business:

- choose your business structure and type
- apply for an Australian Business Number (ABN)
- register your business name and trademark
- protect your intellectual property
- understand the appropriate standards and codes of practice
- set up record- and account-keeping processes
- register a website name
- work out what taxes you need to register for
- find out the registration processes and licences you need to start a business
- consider your insurance needs
- buy or lease business premises.

Business plan

One essential ingredient in any new idea is to draw up a business plan, which you will need to secure any financing. It will also provide direction and help keep you on track.

Financing your idea and keeping track of where the money is going is crucial to your success, so bookkeeping will be a key skill to master. Finding a good accountant is also essential.

Employment

If you intend to hire people, you will also need to be familiar with the relevant labour laws, superannuation rules, work

health and safety obligations and tax laws. Information about pay and conditions under the national workplace relations system is available from the [Fair Work Ombudsman](#) website.

Your insurance obligations will be wider than just plant and machinery. You will also need coverage for workers' compensation and public liability.

Here to help

With so much to think about, it's clear that starting a business is challenging. A financial adviser may help you understand your new financial obligations and develop a financial plan tailored to you, to help get your new business off to the right start.

Professional advice and customised portfolio solutions designed to meet your retirement goals

Retiring after decades of hard work is exciting. It's a time to relax, spend more time with family and friends and pursue new hobbies.

But, retirement is a journey not an event. Australian men are expected to live to 80.4 years on average, compared with 84.6 years for women[^]. Those who make it over age 60 can expect to live significantly longer. That means many Australians will spend over 20 years in retirement, assuming they retire at age 65. It could in fact be much, much longer, given life expectancy is increasing and people commonly stop working earlier than planned due to sickness, poor health, unemployment or redundancy. The figures reveal that people are spending much more time in retirement than they expected and therefore less time working and contributing to super and their savings. Without careful and early planning, most Australians face a significant retirement savings shortfall and an uncertain future. That's why it's critically important to seek professional advice.

The value of advice

An experienced financial adviser can help you effectively plan for retirement and guide you along the journey to help you make wise financial decisions and stay on track to achieve your goals. In an environment of increasing global economic and political uncertainty

and increased market volatility, your adviser can help you build a regular, reliable income stream and protect your wealth so that no matter what challenges and surprises life throws, you'll have someone by your side helping you make important decisions. That's the kind of confidence and security you deserve, and it's the confidence you need in order to truly relax and enjoy all that retirement has to offer.

Retirees need confidence that they'll have enough income for life, to cover all their living expenses plus extras like entertainment, travel and home renovations. They need confidence that they'll have enough money to pay for any medical treatment and aged care with hopefully some left over to leave an inheritance to their loved ones. Ultimately, they need to feel confident that they've worked hard, planned well and made smart financial decisions so they don't run out of money and end up dependent on the Age Pension which only provides for a very basic standard of living for those who qualify.

We can help

We are experienced in helping our clients plan for their retirement and we can help you. No matter what stage of your life you are in, this is a conversation worth having.

[^] Australian Bureau of Statistics: 3302.0.55.001 - Life Tables, States, Territories and Australia, 2014-2016



Managing your money through illness or injury

Bills need to be paid even if illness or injury keep you out of work for any length of time.

The mortgage, credit cards, rates, rent, utilities, insurance and loans plus a host of other bills stack up regardless of your circumstances.

Dealing with a serious illness or injury is stressful enough without having to consider how to cope financially. Money is not likely to be high on your immediate list of concerns.

However, making sure you get everything you are entitled to and offsetting bill payments can help relieve some of the stress of an already traumatic circumstance.

Advocates

When you are injured or ill, it's easy to miss important information, so it's essential to have someone by your side who can listen, question and ensure your needs are met.

Choose someone you can trust, such as a close relative or friend, who can be your advocate, and help understand instructions from medical professionals as well as organise any medical payments.

If you find yourself alone, search online for support networks and community health organisations for your particular illness or injury, and don't be afraid to seek professional help for any emotional problems.

Services

The available government services include the [Department of Human Services](#) or [Centrelink](#).

In very limited circumstances, you may get early access to your superannuation on compassionate grounds if the illness or injury is catastrophic. You can apply through the [Department of Human Services](#).

You might also like to contact [Financial Counselling Australia](#) to talk to someone who can provide free, unbiased information to help with your financial difficulties.

Employment

Other things you should do include checking with your employer on how much paid sick leave you have, whether you can take unpaid leave, and how long you can have off work. The [Fair Work Ombudsman's sick and carers' leave](#) information covers your rights at work.

Insurance

Check your insurance policies, including any linked to your superannuation, to see if they provide income support or bill payment help.

Types of insurance include:

- income protection, which provides an income if you are unable to work
- health insurance, which can help with medical costs
- total and permanent disability insurance, which can be included in your superannuation and covers the costs of rehabilitation, bill payments and living costs
- trauma cover, which covers specified illnesses or injuries.

Reach out

Open up about your circumstances to your debtors and ask for a hardship variation to your bills. Many companies have hardship officers who can help you with a repayment plan that is manageable in your circumstances, such as paying in instalments.

From setting up these repayment plans to choosing appropriate insurance, a financial adviser may help take care of your finances while you're injured or ill, which means you can focus on recovering.



What's the Bitcoin buzz?

By Mark Rider, Chief Investment Officer, ANZ Wealth

The value of Bitcoin has rocketed higher. But what do we know about it?
Does it really have value?

What is Bitcoin?

Bitcoin is a type of digital currency known as a cryptocurrency. It operates on a decentralised peer-to-peer networked program on your computer, meaning that transactions can be conducted between a buyer and seller without the need for any third party oversight such as a regulator or bank. The underlying technology that makes all cryptocurrencies possible is the blockchain – a digital, shared record book which keeps track of all transactions.

When a transaction is made, it is added to the end of the blockchain and confirmed using a series of complex calculations by the computers of other users who are on that currency's network.

So, a digital coin is like a bit of code, that could be copied and reused and sent to multiple people. The blockchain stops this from happening because all computers on the network reach a consensus that that coin has changed to a new owner when a transaction is made.

Blockchain technology provides the opportunity for reduced costs by removing the need for the 'middleman'; and by virtue of the identical recording of each transaction across many thousands of copies of the same digital record book reduces the likelihood of fraud or error via traditional means.

Bitcoin's 'wild run'

Bitcoin's value has oscillated wildly. In 2010, in the early days of bitcoin, a man in the US bought two Dominos pizzas for 10,000 bitcoins. The value of those bitcoins recently went over \$100 million USD! These spikes in value have certainly sparked huge interest and people are now buying it because they think it is going to have a higher value in the future, rather than using it to pay for things.

Bitcoin peaked at US\$20,000 in mid-December 2017, lost 40 per cent of its value within a week as it dipped below US \$12,000. It then bounced back and hasn't stopped bouncing since.

Does Bitcoin have value?

While cryptocurrencies led by Bitcoin and their blockchain technology seem to hold much promise, there are a few issues to consider.

Unlike traditional currencies and mediums of exchange, Bitcoin cannot be widely used as a means to purchase material goods or services.

Nor does it produce any income in the way that shares can generate dividends, or property generates rent.

You can't even touch it, like gold. This makes it very difficult to value. And its wild swings in price make it an uncertain store of value, another characteristic of currency.

In addition, the hype surrounding it certainly has all of the hallmarks of a 'speculative bubble'. People are buying it and holding onto it in the hope that it will continue to rise in value. As pricing spirals higher, the more likely it is that it will crash.

A major risk for cryptocurrencies is regulation. China banned bitcoin in 2017 and other cryptocurrencies may not have come onto regulators'

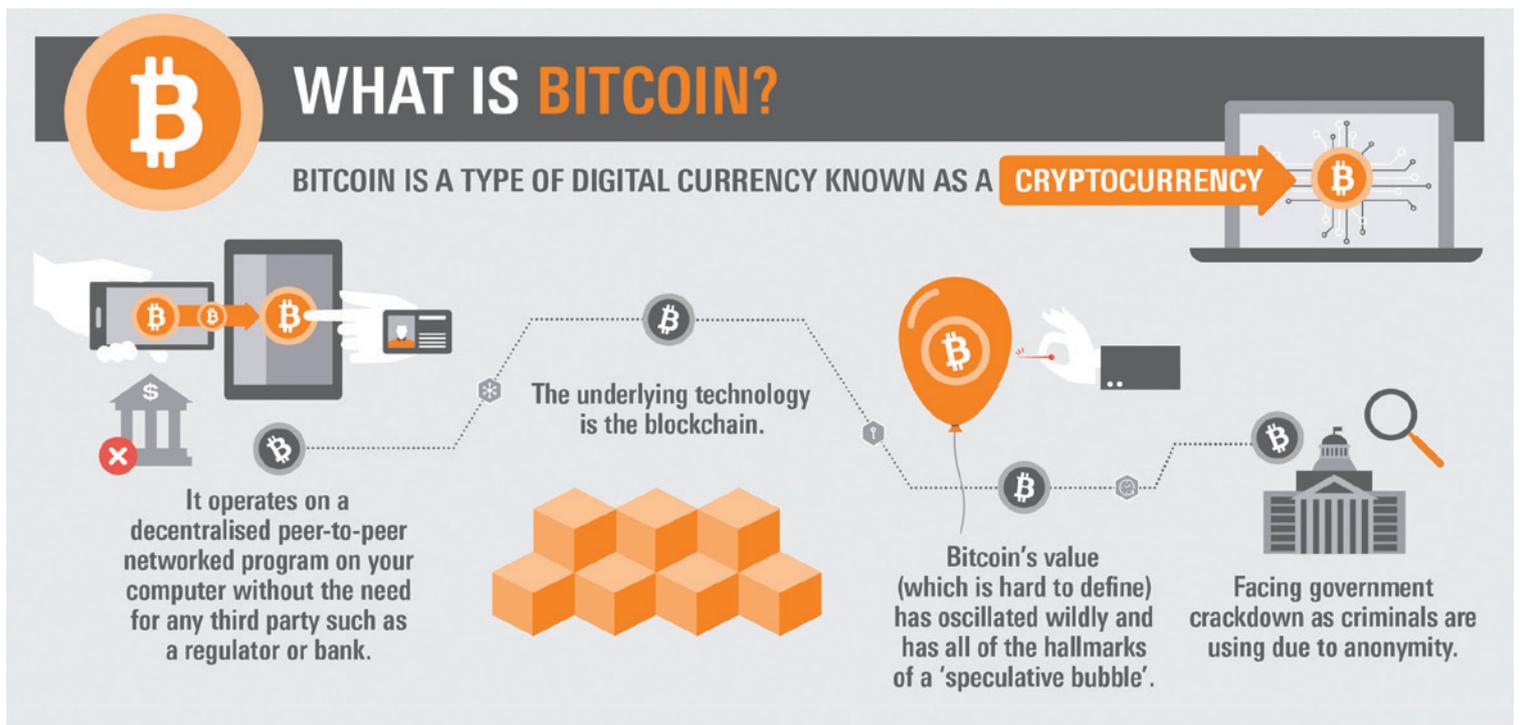
radars yet, but some are becoming the preferred medium of exchange for criminals due to anonymity.

If governments can find a way to crack down, they surely will.

All up it's hard to say what will happen next. Bitcoin and other cryptocurrencies are so new that historical examples may not apply.

But history is littered with plenty of episodes of speculative fevers that ultimately collapsed. While exciting, we have a healthy level of skepticism about its longer-term value.

Our illustration below may better explain the Bitcoin buzz.





Wedding budget bliss: How to afford your dream wedding

Whether you're planning a large, luxurious wedding or a small, intimate affair, smart budgeting could help free you from financial worries, so you can enjoy your special day.

Start planning early

It's never too early to start your wedding budget (even if it's the day after the engagement). And given that the average Australian wedding costs \$36,200¹, the sooner you learn to control your spending, the sooner you can focus your dollars on making the wedding day special. This may apply to families of the bride and groom as much as the couple themselves.

The first step in setting up a budget is to take stock of your income and expenditure. Knowing these financial basics is essential for calculating the maximum you can afford to spend on the wedding – and your ideal cost scenario.

Talk to your family

If you're part of the bride's or groom's family and want to contribute, let them know. Family members could contribute a set figure, fund a specific part of the

ceremony, such as the flowers or venue, or simply agree to cover a fraction of the whole cost. Just make sure it's discussed with the couple early so they can factor it into their budget.

Know your limit

Once you have established your ceiling, it's time to research typical wedding costs. This can help you firm up your 'must haves' and what you are willing to compromise on.

Want a live band but don't need fancy table decorations? Aren't fussed about a three-course dinner but must have a great cake?

Agreeing on your priorities upfront can help you clarify which aspects to save for and which to downplay or skip altogether.

Research hidden costs

Don't forget about hidden costs. Aside from the big-ticket expenses such as hiring a venue, serving food and alcohol, and buying or renting wedding clothes, other costs you may not have thought of such as insurance, corkage and the marriage licence can also add up.

Start a spreadsheet

Once you have an idea of your budget and priorities, it's time to dive into the details. This is where an online wedding budget calculator or Excel spreadsheet can come in handy.

Write down your maximum cost for every item from bouquet to band and compare it with the real costs once vendors' quotes start coming in.

It's also a good idea to set aside 5% of your budget for unexpected or emergency costs (such as fixing a spill on the wedding dress the night before).

Stick to your budget

It's important you stay accountable to your budget. Keep your spreadsheet up to date, set up a wedding-expenses-only bank account, and stick to your guns as far as your limits and priorities are concerned.

Now hack your wedding budget

If you've created your budget and despair of affording it any time soon, don't worry. Here are some final tips to help you reign in your costs.

- **limit your guest list to your favourite people:** At \$100 per head, every 10 guests cost you \$1,000
- **think outside the box when picking a wedding venue:** A park, garden, art gallery or friend's house may be more affordable than a hotel, and the natural ambience can save you money on decorations

- **book an out-of-season wedding:** It can be cheaper to schedule a wedding in winter, on a weeknight or a Sunday morning
- **keep your menu simple:** Stick with the specialties of the season and region, consider canapés or buffets over three-course meals, and ask for house spirits (not top-shelf varieties) or beer and wine.

Planning a wedding can be a daunting and expensive task. And without a well thought-out financial plan, it's easy to go over budget.

So, while you may call upon a wedding planner to help you organise your special day, a financial planner may be just as important. A professional financial adviser may help you create and stick to your budget as well as stay accountable – so you can focus on the important things, like celebrating with the people you love!

1. Australian Securities and Investments Commission, 'How much can a wedding cost?'. MoneySmart. Available at: <https://www.moneysmart.gov.au/managing-your-money/budgeting/simple-ways-to-save-money/how-much-can-a-wedding-cost>

CREATE A GREAT FINANCIAL NEW YEAR



Change your lifestyle, change your health

Treat your body well and it may help you dodge cancer. Here's some tips on how you could create a healthier lifestyle for a better future.

"Cancer isn't always a matter of genetics or bad luck," says Professor David Whiteman of Brisbane's QIMR Berghofer Medical Research Institute.¹

A recent study from the institute found risky habits and behaviour are to blame for more than 16,000 Australians being diagnosed with cancer each year.¹ The good news is that changing these behaviours may help prevent certain cancers forming.

The most common types of cancers that are directly related to lifestyle choices include skin melanomas, and lung, bowel, liver and stomach cancers.¹ The key culprits causing these types of cancers include:

- tobacco smoking
- high intake of red and processed meat
- low intake of fruits and vegetables
- excessive exposure to UV light
- excessive alcohol consumption
- being physically inactive
- being overweight¹.

In other words, some cancers are caused by what we put in our bodies and how often we move them. Knowing that you can make changes to your lifestyle to positively affect your health can be empowering. So, what changes can you make for a healthier lifestyle?

Since the biggest cause of preventable cancer is smoking tobacco, your first mission is to "hang tough, don't puff!"

Other positive lifestyle changes you could commit to include:

- **eating more fruit and vegetables and reducing your intake of red and processed meat** – try going vegetarian two days per week or sometimes swapping a steak for a mushroom burger when dining out
- **decreasing your alcohol consumption** – limit your drinks to special occasions or set yourself the challenging of nursing one drink per party
- **exercising regularly** – exercise may help reduce the risk of developing cardiovascular disease, may help prevent or manage mental health problems, and may assist with improving blood pressure.² If you have a sedentary lifestyle, even committing to 15 minutes of walking a day could be a great start to enhancing your wellbeing



- **moderating your exposure to UV light** – get your sunlight early in the morning or late in the afternoon and don't just rely on sunscreen to protect you, use a combination of protective clothing, shade and sunscreen
- **take a cautious approach to menopausal hormonal therapy** – speak with medical professionals to fully understand the therapy and its possible risks, and get a second opinion if possible.

1. ABC News, (2017), 'Changes to risk factors could have prevented 40 per cent of cancer deaths, study finds'. Available at: <http://www.abc.net.au/news/2017-12-12/cancer-study-finds-40pc-deaths-preventable-with-lifestyle-change/9247876>

2. Australian Government, Department of Health, 'Physical Activity'. Available at: <http://www.health.gov.au/internet/main/publishing.nsf/content/phy-activity>

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