



On the Pulse

October 2022

Market Update

Index returns at end September 2022 (%)

	1 mth	3 mth	6 mth	1 yr	3 yr	5 yr	10 yr
Australian Equities							
S&P/ASX 200 TR Index	-6.17	0.39	-11.56	-7.69	2.67	6.76	8.41
S&P/ASX Small Ordinaries TR Index	-11.2	-0.47	-20.76	-22.56	-0.8	4.07	4.58
Global Equities							
MSCI World NR Index (AUD)	-3.54	-0.34	-8.16	-10.96	5.48	8.73	12.68
S&P 500 PR Index (USD)	-9.34	-5.28	-20.85	-16.76	6.4	7.31	9.55
FTSE 100 PR Index (GBP)	-5.36	-3.84	-8.27	-2.72	-2.37	-1.33	1.84
MSCI Emerging Markets NR Index (AUD)	-5.87	-5.42	-8.54	-19.24	-0.49	2.18	6.03
Real Estate Investment Trusts							
S&P/ASX 300 A-REIT TR Index	-13.56	-6.89	-23.18	-21.13	-4.61	3.08	8.02
FTSE EPRA/NAREIT Dev. NR Index (AUD Hgd)	-11.84	-10.46	-24.44	-19.7	-6.65	-0.5	4.88
Fixed Interest							
Bloomberg Ausbond Composite 0+ Yr Index	-1.36	-0.64	-4.43	-11.36	-3.42	0.75	2.31
Bloomberg Ausbond Bank Bill Index	0.15	0.42	0.49	0.52	0.38	0.95	1.68
Bloomberg Global Aggregate TR Index (AUD Hgd)	-3.5	-3.78	-8.27	-12.81	-3.63	-0.17	2.43

Data source: Bloomberg & Financial Express. Returns greater than one year are annualised. Commentary regarding equity indices below references performance without including the effects of currency (unless specifically stated).

September 2022 Quarter

Key Points

- Interest rates will continue to rise until evidence of inflation subsiding prevails.
- Market volatility heightened over the quarter and will persist for some time into 2023.
- Recession fears have escalated and remain at the forefront of world leaders decision making as European countries scramble to secure energy supplies leading in to the Northern hemisphere winter.



Market Update

The market rebound in July was unfortunately short lived and by the end of September the Australian share market was the only asset class to produce a positive return. The cause of this volatility was the narrative of higher inflation and subsequent higher interest rates.

We expect volatility to remain with us for some months. Key central banks have been clear that they will continue to raise rates until they see evidence of inflation subsiding. The risk of a global recession is elevated as the lagging impact of higher interest rates are yet to come to the fore. From an Australian perspective the composition of the Australian economy, which is heavy on energy and materials, is expected to buffer Australia to some degree from a deep recession, if we do go into a technical recession, it will be mild relative to other countries

When markets are volatile, it can be difficult to focus on the long term and the positives. However, we would argue that diversification remains your best line of defence over the medium to long term. We see risks associated with higher interest rates and growing geopolitical tensions but just as with previous market downturns this will create opportunity.

In the coming months, outside of inflation we are keeping a watch on energy security, notably in Europe as the northern hemisphere winter approaches. The Russian invasion of Ukraine has had a material impact on European energy stocks and we have witnessed key European economies look to quickly secure up energy for the winter, by turning coal plants back on, delaying closing down nuclear plants or finding alternative energy providers. Germany has already signalled that if they have a strong winter, they may need to ration energy and slow down industrial production to ensure households have enough heating. Such a scenario would further exacerbate the economic slowdown in Europe and would have implications for markets.

Change and transition is never easy and we are experiencing significant change in the global economy and markets at the moment. It is a time to be vigilant but also a time to keep a long-term perspective.

Above all, achieving your financial objectives requires willingness to be different from others and adopt a disciplined investment approach to regular rebalancing when and where it makes sense to do so.

If you have any questions or concerns, please contact our office on
07 4192 8900



Important Information You need a Director ID

The Government is currently modernising the business register and has introduced a new Australian Business Registry Service (ABRS). As part of this initiative, they have also introduced an identification regime for directors known as “director ID”. This came into effect from 1 November and directors must now apply for a director ID. There are however some transitional arrangements in place to allow directors to become familiar with this requirement. Please refer to the table below for the transitional dates that are applicable to you.

As a director you now have a legal obligation to apply for a director ID within the applicable timeframe and material fines may apply if you do not meet this obligation. The introduction of a director identification number (director ID) is the first service to be delivered by the new Australian Business Registry Services (ABRS). A director ID is a unique identifier given to a director who has verified their identity with the Registrar of the ABRS. An individual only need to apply for a director ID once and will keep it forever. It is free to apply for a director ID.

The application for a director ID needs to be completed and submitted by you directly as it requires you to proof your identity. As your Agent we can't apply for a director ID on your behalf. We can however assist you with any questions you have on applying for a Director ID.

Updating and or maintaining director ID information (including contact details) is also the director's responsibility. We will be able to guide you through the process if and when you need to update your information.

Helping you get a director ID

Who will need a director ID

You need director ID if you are a director (or act as an alternate director) of a:

- company, a registered Australian body or a registered foreign company under the Corporations Act 2001 (Corporations Act), or
- corporation registered under the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (CATSI Act).

An alternate director is someone who acts in the role of a director for a period of time, such as while the director is away on long-term leave.

When to apply for a director ID

Transitional arrangements are in place to allow directors to become familiar with the new requirement.

When you must apply depends on the relevant Act and when you become a director.

Corporations Act (dates are subject to the final legislative instrument being signed off)

Date you become a director	Must apply
On or before 31 October 2021	By 30 November 2022
Between 1 November 2021 and 4 April 2022	Within 28 days of appointment
From 5 April 2022	Before appointment

Notwithstanding the above transitional periods, we strongly encourage existing directors to apply for their director ID at their earliest convenience.

Before you apply for your director ID

To apply for a director ID online, you will need:

- myGovID app set up to a Standard identity strength – if you don't have one, visit [How to set up myGovID](#)
- your tax file number (TFN)
- your residential address as held in Australian Taxation Office (ATO) records
- to answer two questions based on the following ATO records:
 - bank account details
 - notice of assessment
 - PAYG payment summary
 - Centrelink payment summary
 - super account details (this does NOT include SMSFs)
 - dividend statement.

Alternative verification and application processes (such as phone and paper applications) will be available for directors who cannot set up myGovID or access the ABRs online services.

Most paper applications are processed within 28 business days of lodgement.

How to apply for a director ID

To apply online:

1. Visit [ABRS online](#) and log in using your myGovID. Set up your myGovID to a Standard identity strength. If you don't already have one, visit [How to set up myGovID](#).
2. Answer two questions to establish your identity using information from your ATO records listed above.
3. Complete your director ID application on ABRs online to receive your director ID instantly.

Inform us of your director ID

Once you have obtained your director ID, please print the ID from the ABRs website and email a copy to our office. Our online system allows us to securely store your director ID.

RESISTANCE AGAINST CHANGE

Are you experiencing resistance against change in your business?

A common problem managers are faced with when proposing change is miscommunication.

When you concentrate on one aspect and the receiving parties concentrate on another aspect, miscommunication is bound to happen.

One reason people resist change is that they are only focused on what they must give up, not what they can gain.

To overcome resistance to change, it is necessary that the pros and cons of change are looked at however it is also important to look at the pros and cons of your current situation.

These four factors play a crucial role in persuading other parties. Looking at your proposal from the other party's perspective and attending to all four factors may very well change minds.

<https://youtu.be/hcz1aZ60k7w>

Do People Resist Change?



Updates to Single Touch Payroll for Xero Users

Xero has released Step 1 to get ready for Single Touch Payroll Phase 2.

Step 1 involves updating your employee profiles with additional information required by the ATO.

We have included some screenshots guide you through this process. You will need to complete this for each of your active employees.

Go to Payroll – Employees

Select 'Update' and complete the below steps for each employee.

Next payment date	Action required
26 Sep 2022	Update details for STP2 Update
26 Sep 2022	Update details for STP2 Update
21 Sep 2022	Update details for STP2 Update
21 Sep 2022	Update details for STP2 Update

Select what type of employee you have as per below:

Additional employment details

Select employment type


The type you select affects your tax obligations. [Check if your payee is an employee or contractor](#)

<input type="radio"/> Employee An employee works in your business and is part of your business	<input type="radio"/> Contractor A contractor runs their own business
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Select the employee's income type.

Note: Closely held payees is defined as an individual directly related to the entity from which they receive payments. For example: family members of a family business, director or shareholders of a company, or beneficiaries of a trust.

Select income type

The type you select affects the pay items that can be included in pay templates and payslips. [Learn more about income types on Xero Central](#) 

Income type

Select type ▼

- Salary and wages
- Closely held payees
- Working holiday maker

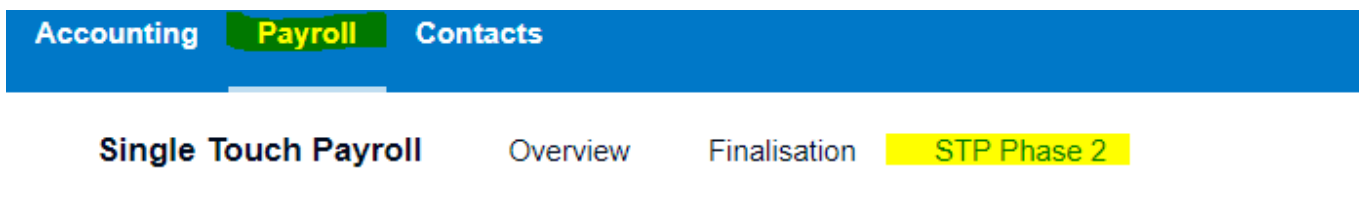
Select the employee's tax scale type

Additional tax details

- Regular
- Horticulturists or shearers
- Actors, variety artists and other entertainers
- Seniors or pensioners

Once this has been completed for all employees, you have completed Step 1. Steps 2, 3 and 4 will be released in the coming months, with everything being update by March 2023.

Xero have additional information regarding STP Phase 2, and this can be found in the below noted location within your Xero file.



CRYPTO

Gone are the days of cryptocurrency being used solely as an anonymous payment method for dodgy dark web dealings. Today the cryptocurrency world is home to over 9,000 currencies, with almost \$1 trillion in market cap. Investors wishing to delve into the world of cryptocurrency should do thorough research prior to entering the market.

A major consideration often overlooked by traders in Australia is the taxation requirements on cryptocurrency transactions. The ATO generally treats crypto transactions as CGT events, which give rise to either a capital gain or capital loss, these rulings apply to all digital coins, tokens and NFTs. When a capital gain is made, the individual may be liable to pay tax on it.

Types of crypto transactions which trigger CGT events include:

- Buying or selling
- Gifting
- Trading or swapping a crypto asset for a different crypto asset
- Converting a crypto asset to a fiat currency (eg AUD, USD)
- Buy goods or services with a crypto asset

ATO Crypto Asset Information Portal

<https://www.ato.gov.au/Individuals/Investments-and-assets/Crypto-asset-investments/>



Office News...in the Business Services Team

It is with great pleasure that we announce that UNIQsol has recently employed three new team members to join the team, Holly Millard, Alicia Maddock and Michelle Kimber. Holly Millard is our newest Assistant to Accountant, Alicia Maddock and Michelle Kimber are our newest Assistant to Accountant – Records Check and Cashbook Trainers. These three ladies are a great addition to the team and we know they will accomplish amazing things here.



Team event...

Mini Triathlon



In the lead up to the Hervey Bay 100 on the 6 November 2022, our leaders Bron + John with the help from Katie participated in the Hervey Bay Triathlon club Race 2 Sprint Mini Tri as a partice run to the big day.



UNIQsol Team
Bron, John + Katie



Swim: 750m



Cycle: 20km



Run: 5km

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